Daily Report

Latin America

FBIS-LAT-92-176
Thursday
10 September 1992

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FBIS-LAT-92-176 *10 September 1992*

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Brazil

President Collor has canceled his trip to New York to deliver the opening speech for the UN General Assembly session, according to Brasilia radio. The presidential press office stated the trip was canceled because the president "wishes to follow closely the development of the political crisis." Foreign Minister Lafer will represent Brazil at the session. Brasilia radio reports the federal government will "file a court injunction to change the rules dictated by Chamber of Deputies President Ibsen Pinheiro" on the impeachment request vote against President Collor. Chief presidential legal adviser, Geilmar Ferreira, said the schedule for the voting "was illegal and abnormal." If the Supreme Court allows the injunction, Pinheiro's decision will be "automatically suspended and the Supreme Court will define the criteria for the voting process."

Ecuador

Architect Marcelo Proanos, secretary of communications of the National Workers Union of the Ecuadoran Social Security Institute [IESS] said "that approximately 14,000 employees and workers of the IESS began an indefinite nationwide strike on 8 September," Quito radio reports. Because the president mobilized the Armed Forces "as if we were in a state of war" and dismissed the Superior Council of the IESS and gave all powers to the minister of social welfare "we have decided to halt our activities indefinitely on a nationwide scale," he noted. The president and his officials must "set aside that attitude, which is against the statutes and illegal" for the IESS "autonomy cannot be violated," he added.

Uruguay

Montevideo radio reports on a Foreign Ministry communique establishing Uruguay's position toward U.S. subsidies for wheat exports. The government "regrets the measures taken by the U. S. Government." Uruguay feels that this subsidy practice "distorts international competition," and that "the new measures taken by the United States, as well as those also implemented by the EEC, negatively affect and jeopardize" the development of the GATT and Uruguay Round negotiations.

Cuba

Venezuelan Communists Say U.S. 'To Intervene'

PA1009042192 Havana Radio Havana Cuba in Spanish 0000 GMT 10 Sep 92

[Commentary read by Joaquin G. Santana]

[Text] A report we have received from Caracas, Venezuela says the Communist Party of that South American country stated on 9 September that there are U.S. officers and soldiers in that country ready to intervene in case of a new military uprising.

A statement released by the legislative faction of the Communist Party of Venezuela states that because of the 4 February military uprising, the government has allowed and promoted the presence of these foreign forces in the national territory with the excuse that they are fighting drugs.

The note states that the counternarcotics activities are simply a pretext to station U.S. forces in Latin American countries and exert pressure against people's movements and democratic institutions.

In addition, a report from Managua, Nicaragua states that Honduran President Rafael Callejas and Salvadoran President Alfredo Cristiani reaffirmed their countries' commitment to respect the ruling to be handed down by the International Court of Justice at The Hague regarding their bilateral border conflict. The top world court will announce the ruling on 11 September, thus settling the dispute over more than 400 square km of territory as well as several islands located in the Gulf of Fonseca and the Pacific Ocean.

Both presidents told television stations in both capitals that the ruling will produce no losers, only winners. We must remember that the border dispute dates back to the last century, reaching its most serious moment in 1969 when the so-called Soccer War broke out between both countries. At least 1,000 people were killed in each country during the war.

While Salvadoran President Alfredo Cristiani said the integration of the area requires stability, which is just what the ruling will bring, the Farabundo Marti National Liberation Front [FMLN] reiterated the lack of commitment by the Salvadoran Government to fulfill the peace agreements signed in New York earlier this year. Mauricio Aleman, member of the political-diplomatic commission of the FMLN, said that due to the government's attitude of preventing the full reinsertion of former guerrillas into civilian life, it is possible that the deadline for the fulfillment of the peace agreements could be extended beyond 31 October. He said a final decision in that regard will be reviewed in mid-September when the FMLN and the Cristiani Government evaluate the status of the implementation of the peace agreements. He said the important thing is not to fulfill the agreements before the deadlines, but to create conditions for the fulfillment of all the agreements and for the establishment of a lasting peace in the country. As for the existing obstacles, Aleman mentioned the failure to implement programs for the reinsertion of former guerrilla fighters into civilian life. He said such programs must be guaranteed by the president, who has the responsibility of turning over land titles and creating jobs. He said this situation led most of the first 20 percent of the former rebels demobilized to return to their areas of concentration in view of the lack of jobs and means to take care of their families. The leader also blamed the U.S. Government for the lack of fulfillment of the agreements because it placed conditions on the granting of the funds it had promised to deliver. The conditions included the banning of cooperatives and turning farms into private property.

The United States must understand and respect the Central American people's self-determination, according to Aleman, who commented on the pressures exercised against the Nicaraguan Government and others in the region by President George Bush's administration.

* Water Reserves at 'Critical' Level

92P40270A

[Editorial Report] Havana GRANMA in Spanish of 15 August 1992 on page 1 reports that 53 reservoirs are filled to capacity or are emptying out, while 19 are at a "critical stage." For example, the Amistad Cubano-Bulgara Reservoir in Camaguey, the source of water for Nuevitas, has a storage capacity of 138 million cubic meters of water but contains less than 19 [million]; the Manana de la Santa Ana Reservoir, which is also in Camaguey and which also supplies Nuevitas, has a storage capacity of 38 million cubic meters of water but contains less than 9 [million]. The article further states that dams that deliver water to Granma sugarcane fields are also in an "unfavorable position with no signs of recovery." For example, the Paso Malo Dam, which normally holds 98 million cubic meters, reported 8 million in storage as of 10 August. Water for sugarcane and other crops is being restricted in Las Tunas. According to the article, Santiago de Cuba is looking into alternative water sources because its principal sources are drying up. While sugarcane irrigation in Guantanamo is also at risk, the National Institute of Water Resources reports that other parts of the country are not experiencing problems.

People's Council Presidents Meet With Lage

FL0809153392 Havana Radio Rebelde Network in Spanish 0900 GMT 8 Sep 92

[Text] On 7 September, in Havana, Carlos Lage, member of the Politburo of the Communist Party of Cuba, chaired a meeting with presidents of the 93 People's Councils in Havana to discuss, among other issues, housing, health, and the operation of the agricultural collection agencies. Carlos Lage underscored the importance of these meetings and suggested making changes so that the population could

carry out transactions at a zone level instead of traveling to distant places to solve their problems.

In the meeting, the presidents of the People's Councils learned of measures that will be implemented to improve bread quality and distribution. Other topics discussed were the marketing of medicines, the work of the health units in the areas, and the development of the science of herbal remedies.

Oscar Basulto, vice minister of agriculture and subdelegate in Havana, informed the presidents of the efforts being made so that the winter planting campaign, which has just begun, may begin producing in December.

Regional PCC Committee Discusses Utilities

FL0909014392 Havana Radio Rebelde Network in Spanish 2300 GMT 8 Sep 92

[Report by Esteban Revilla on the "Exclusive" program]

[Text] The meeting of the Santiago de Cuba Province executive bureau of the Communist Party of Cuba [PCC] is being held here. Important issues for the populace and the province such as the water supply, electricity, and transportation are being discussed. In cooperation on this program with our colleague Matilde Hernandez Saranon of the provincial newspaper SIERRA MAESTRA, we can report that the executive bureau, chaired by Politburo member Esteban Lazo Hernandez, the first PCC secretary for the province, has analyzed these points at length because of their great importance to the populace.

With respect to water, Esteban Lazo Hernandez noted that it has become necessary to increase the number of water trucks in the city of Santiago de Cuba to 50 in order to alleviate the shortages caused by the low water levels in the reservoirs. Politburo member Lazo also called for the construction of people's wells as a response to this situation, which will get worse if the province continues without rain.

Referring to the transportation situation, Esteban Lazo Hernandez pointed out the need to put sugarcane trains into operation to help with the (?transporting) of passengers, as well the need to increase the number of horse-drawn carriages to 1,000 in the city of Santiago de Cuba, where there are currently about 400.

During the meeting of the PCC executive bureau of Santiago de Cuba, the effort being undertaken to maintain electricity service was stressed. Because of the fuel shortage, there are four hours of outages per day for the populace, and now the outages will also occur in the evening from 1900 to 2300. It was suggested that electricity not be cut during these hours to those who are scheduled for outages during the early morning hours.

SELA Report Says Cuban Economy 'More Solid'

PA0809130092 Havana Radio Havana Cuba in Spanish 0100 GMT 8 Sep 92

[Text] The Cuban economy has a more solid foundation than in previous decades and its interaction with the other economies of the region is viable and possible, according to a report by SELA [Latin American Economic System]. The document was drafted by the SELA Permanent Secretariat Council during its 18th ordinary meeting, which began on 7 September in Caracas, Venezuela, with the participation of delegates from its 27 member states. The document provides a general outlook on the potential and options for integration between the Cuban economy and the other economies of the region with valuable possibilities despite the difficulties that are unique to the Caribbean country, as well as those its neighboring countries are facing. The Cuban delegation to this meeting is headed by Ernesto Melendez, minister president of the State Committee for Economic Cooperation, who will attend the ministerial phase of the forum scheduled for 10 and 11 September.

Delegation Begins Participation

FL1009013792 Havana Radio Rebelde Network in Spanish 2300 GMT 9 Sep 92

[Text] Comrade Ernesto Melendez, the minister president of the Cuban State Committee for Economic Cooperation, has stated in Caracas, Venezuela, that the process of international trade negotiations does not offer fair solutions for developing countries. Melendez is the head of the Cuban delegation participating in the 18th meeting of the Latin American Economic System [SELA], which will begin at the ministerial level on 10 September following three days of technical sessions.

In statements to PRENSA LATINA, Melendez concurred with several experts who warn that the industrialized nations are strengthening their protectionist measures against the actions and interests of underdeveloped countries.

Economist Works To Improve Distribution

FL0909015992 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 9 Sep 92

[Text] Economists from the Central Planning Board of the State Committee for Statistics and from other organizations have been transferred to work at essential enterprises and centers in the country. They can be found at ports, tourist agencies, or in a product distribution market, such as Valle Grande in the City of Havana. There we met Juan Bocuor, from the State Committee for Statistics, who now works as a distributor.

His job is to control the distribution of products that are sent to more than 400,000 residents in three Havana municipalities. Dispatching the proper amounts and types of tubers, vegetables, or fruits to be shipped to retail markets is the goal of the system of controls he has

established with the aid of a computer. His knowledge and criteria are the decisive factors.

[Begin Bocour recording] We have logged in the computer all the places to which the merchandise we distribute is sent—in each store in each municipality. We are planning to hold frequent operative meetings later on; in other words, to visit each center every two to three days to check whether the merchandise sent has arrived at its destination. [end recording]

After October, there will be new workers at the distribution center who will assume a portion of the duties of the economist. They will control distribution to retail markets, while the distributor will be responsible only for distribution to the municipalities. He will also be in charge of distribution at the refrigeration facility and the treatment plant once they begin operation.

Factory To Produce Nationally-Built Compressors

FL0909164692 Havana Radio Rebelde Network in Spanish 1155 GMT 9 Sep 92

[Text] The steelworking industry's (Nguyen Van Troi) factory is making the first attempt to build, in Cuba, semi-sealed refrigeration compressors for consoles and cold-storage chambers. After two years of studies, the creation of projects, and the manufacture of different kinds of dies, molds, and replacement parts by technicians and specialists from the Refrigeration and Air-Conditioning Institute and the factory itself, Cuba is now working on the first of the 25 compressors that constitute the Zero series.

Antonio Miguel Izquierdo, the mechanical engineer who heads the group developing the compressor, explained to the National News Agency that the new equipment is entirely Cuban, and this makes it possible to produce all of its components. This equipment is the result of the resourcefulness of the workers, thanks to which it has been possible to create very complex parts, such as crankshafts, pistons, rings, and other elements.

Inter-Caribbean Affairs

Caricom Head Proposes New Name for CET

FL0909224092 Bridgetown CANA in English 1459 GMT 9 Sep 92

[Text] St John's, Antigua, Sept 9, CANA—The Caribbean Community's new secretary-general, Edwin Carrington, has suggested a new name for the community's controversial Common External Tariff (CET).

He proposed Common Customs Tariff (CCT) which he suggested would reflect better understanding of the tax which seeks to shield Caricom-made goods from competing openly with third country imports in the Caricom market.

Carrington, who ended a two-day official visit here Tuesday, said people were of the view that the CET "is a tariff against foreign goods" but this was not necessarily the case.

"It is an instrument which is applicable to goods not substantially produced in the region," he said. "So if you make a product in the region by just sewing or stiching something..., it pays the CET because it has not been substantially produced in the region."

The CET, Carrington added, was not designed "to penalize foreign production (but) to encourage significant production in the region...."

"Probably it is a mistake to call it CET. I suspect we should call it CCT and get away from this notion that it is an instrument against foreign production."

Differences related to the CET have emerged among some Caricom member states with some pushing for a lower range of tariffs to replace the current zero to 45 per cent.

The measure is under review and will be looked at again when Caricom heads of government meet in Trinidad at the end of next month.

Dominican Republic

Cuban Delegation Visits for Marti Celebration

FL0909163992 Havana Radio Progreso Network in Spanish 1100 GMT 9 Sep 92

[Text] A Cuban delegation has been in the Dominican Republic since yesterday. The delegation will participate in activities marking the 100th anniversary of Jose Marti's first visit to the Dominican Republic. The delegation is headed by Minister of Culture Armando Hart Davalos. Eusebio Leal, Ismael Gonzalez, director of the Marti Studies Center, and (Marta Jona), director of the national parliament [as heard], accompany Hart as members of the delegation. The Cuban delegation will attend a ceremony to inaugurate the Jose Marti plaza in Monte Cristi. In Santo Domingo, the delegation will attend a special presentation of the Monte Cristi Manifesto, which was signed by Jose Marti and Maximo Gomez.

A special commission appointed by Dominican President Joaquin Balaguer has prepared a program for the Cuban delegation that includes a tour through the Cibao region, which is strongly related to the tasks that our national hero carried out in the Dominican Republic.

Cuba's Hart Meets Balaguer

FL1009013492 Havana Radio Rebelde Network in Spanish 2300 GMT 9 Sep 92

[Text] Official [Dominican] sources have reported that Cuban Minister of Culture Armando Hart Davalos met with Dominican President Joaquin Balaguer on 9 September as part of his visit to the Dominican Republic. Hart Davalos is the head of the Cuban delegation

attending the commemoration of the 100th anniversary of the visit to the Dominican Republic of our national hero Jose Marti. Although details of the meeting were not released, sources from the Dominican Office of the Presidency said that it was a friendly meeting. As part of the celebrations of Marti's visit to the Dominican Republic, the Cuban minister will attend a concert on 19 September featuring singer/songwriters Juan Luis Guerra and Silvio Rodriguez.

Haiti

Deputies To Receive Draft National Budget

FL0909165092 Port-au-Prince Radio Tropic FM in French 1230 GMT 9 Sep 92

[Text] The Haitian Government will officially present the draft national budget for the fiscal year 92-93 to the Chamber of Deputies today, five days before the closing of the fourth session of the 45th legislature and the recess of the deputies. Given that the lower chamber will not have time to vote on the draft national budget, the executive will be obliged to convene the Chamber of Deputies in extraordinary session because the budget must become effective on 1 October 1992.

According to some sources, this draft budget is almost exclusively based on internal resources, while estimates have been made for the resumption of international aid in the event the sanctions implemented 8 October 1991 against Haiti are lifted. The sectors scheduled for an increase in the government budget for the fiscal year 92-93 include health, education, agriculture, and the Haitian Army.

The draft national budget will be presented to the parliament at a time when many senators lack confidence in the current financial authorities of the country. The senators went so far as to ask for their dismissals for mismanagement of public funds.

On that score, a three-senator committee was created in order to investigate a file presented to the assembly of senators by Southeastern Senator Guy Bauduy and to determine whether the monetary authorities are mismanaging the country's assets. According to Sen. Amos Andre, a member of the committee, this investigation might even lead to arrests.

The finance minister is due to present the budget to the Chamber of Deputies today. The Secretariat of the Office of the Chamber of Deputies has called on all deputies of the 45th legislature to attend today's session because the budget of the Republic will be presented by the country's financial authorities. This notice is signed by Pierre Simon Georges, deputy and first secretary of the Office of the Chamber of Deputies.

Salinas Hails Results of National Solidarity Plan

PA0709163992 Mexico City NOTIMEX in Spanish 2243 GMT 6 Sep 92

[Text] Mexico City, 6 Sep (NOTIMEX)—Mexican President Carlos Salinas de Gortari said on 6 September that the National Solidarity Program has provided massive financial assistance and support to the country's poorest communities to help them reduce their level of poverty.

In the three years that the plan has been in effect, the results have been encouraging, the Mexican president said in a nationwide radio and television address to mark the third National Solidarity Week.

"A million and a half families now have deeds to the land on which they built their homes. Those papers guarantee their legal ownership of the house, which in many cases, is the only thing they own," the president said.

"By joining efforts, the residents have paved over 3,200 km of streets in lower-income neighborhoods. This is equivalent to paving a road between the city of Merida, to the south, and Nogales, in the north," the president said.

"However, much remains to be done, but with work and commitment, we will make new strides in that area," Salinas de Gortari said.

"Three million more Mexicans have electricity in their homes. This is equivalent to providing electricity for the first time to the entire population of some countries in Europe or South America, or to the States of Veracruz, Jalisco, and Tabasco combined," he said.

"Today, 11 million more people have potable water, and 8.5 million Mexicans who did not have sewage facilities now have them," the president said, emphasizing that no progress could have been made without the massive participation of the towns that received federal support.

"In my weekly visits to the different states of the republic, I have seen women at times carrying water pipes, the men chopping stumps, and the children carrying food to their parents," the president said.

"Teachers and parents in some 70,000 schools have worked to provide cleaner, more hygienic areas that are better suited to the education of children," the president said.

"Half a million children selected by their peers are receiving cash scholarships that will ensure that they do not give up their elementary school classes. This strengthens the school and community life," the president said.

"We (the communities and the government) have worked to ensure that 7.5 million people who had no access to medical services can now receive the treatment to which they are entitled," Salinas de Gortari said.

Within the Solidarity Plan—a federal government plan to promote the development of the most unprotected sectors—there are new challenges, such as promoting employment, the president said.

"We support the efforts of almost 1.5 million peasants who are working their lands. Many of them had never had access to institutional support, and they are responding to the solidarity that they are receiving," the president said.

We have established a solidarity enterprises fund to support the initiatives of peasant groups, individual peasants, and the Indian communities, in creating enterprises that will create jobs within the local communities," the president said.

"More than 1,000 solidarity enterprises already exist. They are viable and profitable projects that have resulted from the initiative of the groups involved and will not require subsidies, just the support to get started," he said.

The president said the government will continue its efforts to reach more communities and hear the concerns of the beneficiaries of the plan, so as to meet their most immediate demands. He added that this week (7 to 11 September) those efforts will be intensified, and will be continued during the months ahead.

"I know, and we all know, that the benefits of solidarity have not yet reached some Mexicans who need it, but we also know that in Mexico there is a new spirit of solidarity that, with peace, work, and unity, will improve the conditions of those who have the least," Salinas de Gortari added.

"If we improve the standard of living of those who have the least," the Mexican president said, "we will be taking additional steps to extend to them the benefits of the nation's efforts."

"Only a just nation can have a strong image in the world. Only a nation that works to eradicate poverty can advance on the road to independence and freedom," the president said.

Arms Sales to Libya Reportedly Suspended

PA0209215792 Madrid EFE in Spanish 2051 GMT 2 Sep 92

[Text] Mexico City, 2 Sep (EFE)—The Mexican Government on 2 September suspended its sale of weapons to Libya in compliance with the UN resolutions that condemn acts of international terrorism perpetrated by the African country.

The agreement, published on 2 September in the official newspaper, establishes that in accordance with UN Resolutions 731 and 748, Mexico is suspending the shipment of weapons, ammunition, accessories, and replacement parts to the Republic of Libya.

The Mexican Government stated through its Secretariat of Commerce that terrorist actions threaten international peace and security and Mexico, therefore, is adhering to the worldwide condemnation of terrorism.

On 21 January and 31 March the UN Security Council approved Resolutions 731 and 748, respectively, against the Libyan Government. These resolutions blame Libya for an attack on an airplane belonging to the U.S. Pan American Airlines in 1989 in Lockerbie (Scotland).

El Salvador

FMLN Committee Presents Economic Proposal

PA0809021092 San Salvador DIARIO LATINO in Spanish 7 Sep 92 p 1

[Text] The Farabundo Marti National Liberation Front [FMLN] Political Committee on 7 September presented an eight-point economic proposal to soften the economic impact on the Salvadoran people of the measures taken by President Alfredo Cristiani's government.

Gerson Martinez announced that the proposal consists of measures to overcome the tax crisis without hurting the people's interests, and to achieve that goal the government must choose more reasonable actions.

Martinez said it is necessary to reform the tax system, freeze rates for basic services such as water and electricity, and redirect the national budget to improve services and create medical attention centers.

The FMLN member also said the government must grant a fairer subsidy to businessmen involved in public transport because the FMLN is aware of the economic problems being confronted by bus owners. The owners' problems will not be solved by increasing bus fares, he said.

Regarding the value-added tax (VAT), the FMLN says it seems that private enterprise agreed to postpone the Forum for Concerted Agreement scheduled for September because they expected to impose the VAT even though they knew the economic problems had to be discussed at the aforementioned forum.

Martinez said that, in accordance with data provided by Finance Ministry officials, the government intends to reduce the VAT to 8 percent in 1993 in light of the 1994 elections. Therefore, they believe the VAT can be reduced to no more than 5 percent.

Cristiani Inaugurates Public Security Academy

PA0809161192 San Salvador Canal Doce Television in Spanish 0300 GMT 8 Sep 92

[Text] President Alfredo Cristiani on 7 September inaugurated the National Public Security Academy installations located at the former Cetipol [Police Instruction Center] in Santa Tecla. The academy will begin operations with an initial contribution of $1 million from the Spanish and Norwegian Governments. The ceremony was attended by the diplomatic corps, ONUSAL [UN Observers for El Salvador] representatives, cabinet members, and military and civilian officials. The academy, which is a product of the peace agreements, will be an institution that will strengthen the hope that democracy will exist in the country. Mario Bolanos, director of the academy, said the academy embodies the implementation of one of the most important peace agreements.

[Begin Bolanos recording] All those who enter the National Public Security Academy must be infused with the idea that they must be individuals whose duty is to society and whose mission is valuable. Just as they must make others follow the law, they too must follow it. Just as they must make others respect basic human rights, they too must respect them. [end recording]

The academy began operations on 30 August. It is training the first contingent that will make up the National Civilian Police. The first 315 will begin working on 16 September. They will replace the FMLN [Farabundo Marti National Liberation Front] security commissions in 33 towns in former strife-torn areas.

Speaking at the inauguration of the academy, President Cristiani said the National Civilian Police are a new corps with a new doctrine to guarantee citizens' rights.

[Begin Cristiani recording] Our country needs a dynamic, modern, and efficient police corps to protect the citizens from the scourge of criminal violence which is affecting the normal development of national life. [end recording]

The president said that theft must be eradicated once and for all. He also said real reconciliation must be sought.

Minister on Consumer Law; Legalization of FMLN

PA0809150792 San Salvador Canal Doce Television in Spanish 0300 GMT 5 Sep 92

[Text] Minister of the Presidency Oscar Santamaria stated the Consumer Protection Law approved on 3 September by the Legislative Assembly will be an instrument to counter the economic measures recently adopted by the government.

Dr. Oscar Santamaria voiced optimism over the recent approval of nine out of the 14 observations made by the executive branch to the Consumer Protection Law. The minister of the Presidency emphasized the law will be an instrument of counterbalance and protection for each and every Salvadoran in the face of the necessary economic measures adopted by the government.

[Begin Santamaria recording] The fact the Consumer Protection Law has been approved means that an instrument has been created to serve as a balance in the marketing process. This law will defend the interests of the consumers. This is a counterbalance that was needed for all the economic measures that have been adopted, as they represent the interests of the common citizen—that is the consumer. [end recording]

Santamaria also referred to the legalization process of the FMLN [Farabundo Marti National Liberation Front] as a political party. He emphasized the Supreme Electoral Tribunal [TSE] will determine the FMLN's legality, with views to the ultimate goal that the FMLN will stop being a belligerent force and will become a political force.

[Begin Santamaria recording] The TSE will examine the documents, ensure all requirements are met, and then it will continue with the process. We hope the FMLN will meet all the requirements, and that there will be a favorable decision, inasmuch as the goal of the peace agreements is that the FMLN will stop being a guerrilla movement and will become a political force. [end recording]

The minister of the Presidency made the statements after attending independence month ceremonies at Libertad Park in San Salvador.

Honduras

Carias on Border Dispute, Nonaligned Meeting

PA0409215792 Tegucigalpa Voz de Honduras Network in Spanish 1145 GMT 3 Sep 92

[Report by Naun Gabriel Valladares on statement by Foreign Minister Mario Carias Zapata to local and foreign reporters on 3 September; place not given—recorded]

[Text] [Valladares] Foreign Minister Mario Carias Zapata first referred to the situation of residents at Honduras' border with El Salvador.

[Carias] Residents of border towns are urged not to believe speculations and pessimistic reports. The truth is that Honduras presented its demands based on documents issued during colonial times, and in many cases based on diplomatic correspondence and recognition by El Salvador of the Honduran border in several of the disputed border areas. In other words, we can be moderately optimistic in the sense that results will favor Honduran interests in many areas, and above all that nothing detrimental will befall the population. Residents in those areas should remain calm because once the ruling is known, our national laws will be fully applied. In the case of our country, authorities will arrive at the disputed areas to determine the situations of families. Everything will be handled according to the law.

[Valladares] Will Central American presidents be present at the El Amatillo border post meeting on 11 September?

[Carias] Central American foreign ministers are currently attending a Nonaligned Movement [NAM] meeting in Jakarta, Indonesia. We are represented at that meeting by our ambassador to Japan, Anibal Quinonez. A meeting of the Chinese-Central American Mixed Cooperation Commission in Taipei is scheduled for 6 and 7 September. Those meetings have delayed our contacts with various foreign ministers, and therefore I cannot confirm the attendance of Central American presidents, although some contacts have been made. I must say that contrary to some rumors, we have not invited presidents of nations outside Central America. The diplomatic presence will be limited to the ambassadors of friendly countries and representatives from international organizations in Tegucigalpa and San Salvador. OAS Secretary General Joao Baena Soares has confirmed his attendance at the ceremony to be held in El Amatillo on 11 September.

[Valladares] Regarding the NAM meeting in Jakarta, Indonesia, which Honduras is attending as an observer, will our country request full membership?

[Carias] We are attending the Jakarta meeting as observers. We will formalize a request to become a full member, which will not be decided in Jakarta—as the NAM has procedures that must be followed—but some time this year.

I believe this organization that groups nations representing approximately two-thirds of the world is reviewing its options and strategies. In that regard, NAM will always be important, because it can play a decisive role in the United Nations to see that decisions are made in favor of peace and in reinforcing the UN role in today's world. Honduras is attending the Jakarta meeting as an observer but will formally become a full member. We hope the movement will join efforts regarding the North-South conflict; in other words, to promote cooperation between industrialized and developing nations.

[Valladares] Regarding the natural disaster that hit the Nicaraguan Pacific Coast on 1 September, Carias confirmed that there have been no reports of Honduran citizens being affected by the tidal wave.

Carias will travel to Taiwan over the weekend of 5 September, then on to The Hague to hear the decision of the International Court of Justice.

Army Commander Denies Chief of Staff Replaced

PA0809231092 Tegucigalpa Voz de Honduras Network in Spanish 1145 GMT 8 Sep 92

[Report by Lucia Alvarado; passages within quotation marks are recorded]

[Text] Division General Luis Alonso Discua Elvir, commander in chief of the Honduran Armed Forces, has rejected reports that Gen. Lazaro Avila Soleno, chairman of the Joint Chiefs of Staff, would be replaced.

We also have statements by Lieutenant Colonel Napoleon Santos Aguilar. Lucia Alvarado has the report.

[Alvarado] The press reported on 7 September that Gen. Lazaro Avila Soleno, chairman of the Joint Chiefs of Staff, had been removed from his position. We spoke to Lt. Col. Napoleon Santos Aguilar, chief of the Armed Forces Public Relations Directorate.

[Santos] "It is not true. It is regrettable that these kinds of reports are released. The situation is totally normal. There is no....[pauses] Every time we have to deny this

kind of information it is a bit embarrassing for us because we are practically forced to reject a simple rumor. This situation is, as I said, a fantasy of some individual who is unaware of worldwide changes, the political situation in our country, and the calm situation inside the Army. Logically a situation of calm is necessary inside the Armed Forces so it can continue to develop and fulfill its constitutional duties."

[Alvarado] Div. Gen. Luis Alonso Discua Elvir, commander in chief of the Armed Forces, also reacted when he learned of the reports of Gen. Avila Soleno's removal from office.

[Discua] "No way. Any such information is totally false. I do not know what intentions lie behind this attempt to misinform the institution and the Honduran people at this moment so close to the announcement scheduled for 11 September. I do not know what they want to achieve by distorting information or spreading misinformation about changes in the Armed Forces command.

"This is totally false, and anything said in that regard is a serious mistake and an attempt to manipulate information and misinform people. I repeat: It is totally false."

[Alvarado] The Armed Forces chief flatly denied reports of the dismissal of Gen. Lazaro Avila Soleno as chairman of the Joint Chiefs of Staff.

Gen. Discua Elvir was also asked whether he would accompany the president on 11 September to the meeting with the Salvadoran president in El Amatillo.

[Discua] "I hope to accompany the president to the meeting he will hold with the Salvadoran President at the El Amatillo bridge. I have always stated my point of view clearly. When the peace agreement was signed in Lima, Peru, Honduras and El Salvador promised to respect the decision of the International Court of Justice [ICJ]."

[Alvarado] "Do you believe there are sectors interested in creating a confrontational atmosphere?"

[Discua] "No, because that....[pauses] That might be, but I am honestly convinced both peoples have matured. I believe the decision will be announced, and we have yet to see how it will be executed. I have already received reports of the creation of an organization with members from the two countries to execute the decision [words indistinct]."

[Alvarado] "General, what follow-up measures should be taken after the ruling has been announced in the two countries."

[Discua] "After the court hands down its decision we must move to the border and see what social and cultural problems there may be in the area under dispute. I believe, however, that the Salvadoran and Honduran Governments are both ready to accept whatever decision is made in The Hague."

[Alvarado] We asked the general if there would be troop movements after the ICJ hands down its ruling.

[Discua] "By no means. This has been said on several occasions. There have been no troop movements and there will be none."

[Alvarado] We again asked him if there would be any rotation within the Armed Forces, as announced.

[Discua] "That is totally false, and any information about such movement is totally false."

Avila Denies Reports of Plot Against Discua

PA0809223392 Madrid EFE in Spanish 2036 GMT 8 Sep 92

[Text] Tegucigalpa, 8 Sep (ACAN - EFE)—General Lazaro Avila Soleno, chairman of the Joint Chiefs of Staff, denied on 8 September unconfirmed reports naming him as the alleged leader of a conspiracy to oust General Luis Alonso Discua, commander general of the Honduran Armed Forces. Avila also described as "false" reports that he was allegedly dismissed from the top position he holds in the military hierarchy, where he is regarded as one of the officers closest to Discua.

"My full loyalty always remains with the military command," noted the general, who is known in unofficial circles as one of the officers who aspires to replace Discua as commander in chief.

Because of his position as the number two man in the military hierarchy, Lazaro Avila described himself as Discua's "legal substitute" whenever the top military leader leaves the country on official visits.

"Every time I have had to replace him I have done my best because I am a professional," he stated.

Avila Soleno said he did not know the origin of the speculation on his participation in the alleged plot and denied the Honduran Armed Forces are the scenario of an internal power struggle.

Discua must hand over his post on 25 January 1993 when he will turn over the command to a new chief appointed by the Armed Forces Higher Council and ratified, in a bureaucratic procedure, by the Congress.

Nicaragua

Presidential Agreement on Property Rights Read

PA1009030292 Managua Radio Nicaragua Network in Spanish 2240 GMT 9 Sep 92

[Statement by Presidency Legal Adviser Thomas Delaney at ceremony for President Chamorro to sign decrees and agreement on property rights at the Presidency in Managua—live]

[Text] I will only mention what the decrees deal with because they are quite extensive. I will read the full text of the agreement, however, because it is the last one signed and the most important.

Decree 46-92 deals with reform to the Basic Law of the Attorney General's Office through the creation of the Office of the Ombudsman for Human Rights [Procuraduria de Derechos Humanos] and the Office of the Property Ombudsman [Procuraduria de la Propiedad].

Decree 47-92 deals with the reestablishment of the National Review Commission, the duties of which were suspended in May 1991 by a ruling of the Supreme Court of Justice. This decree reestablishes the National Review Commission, which will continue to operate at the Attorney General's Office and will be made up of the property ombudsman, who will head the commission, and two other members chosen for their proven honesty, integrity, and lofty moral values by the president of the Republic, before whom they will be installed in their posts. The property ombudsman will be appointed by the attorney general of the Republic at a subsequent ceremony.

Decree 48-92 deals with the expansion of the duties of the Office for Territorial Organization, OOT. It assigns the OOT the duties of reviewing, assigning, and granting title or possession of rural land that Decree 25-91 refers to, in this case, by assuming the duties of the commission that this decree established.

The full text of the presidential agreement follows: Presidential Agreement No. 248-92: The president of the Republic of Nicaragua, whereas: 1. The government program established clearly its commitment to review, by request of those affected, cases of properties affected by confiscations, expropriations, land invasions, and interventions to return what was unjustly seized or to compensate affected owners in cases when they cannot be returned.

2. This commitment has been repeatedly confirmed by the presidency of the Republic from the issuance of Decree 11-90, which created the National Review Commission as an administrative organization under the executive branch, to the issuance of Decree 23-91 that, in keeping with a Supreme Court of Justice decision, suspended the duties of the commission and also ordered an inventory of claims filed before the Prosecutor's Office. This decree reaffirmed the political decision to return or compensate for what was unjustly taken away.

3. The intention and spirit of Decree 11-90 makes evident the need to review all those actions that involved serious violations of property rights through confiscations, expropriations, occupation of presumably abandoned property, invasions, illegal interventions, or arbitrary laws and decrees.

4. Now that the operation of the National Review Commission has been reestablished, final decisions must be adopted on such claims that will allow for compliance—with greater clarity and determination—of this commitment and political willingness to administer justice to those whose properties were unjustly confiscated and dispossessed.

Exercising the powers bestowed upon her by the political constitution, the president agrees to:

Article 1: Instruct, through this means, the National Review Commission to settle favorably all claims filed on time before the Attorney General's Office, in keeping with Decree 11-90 and its amendments. Only those cases involving claims resulting from the application of Decrees 3 and 38 will be subjected to review by that commission.

Article 2: Publish this agreement in the official LA GACETA newspaper.

Issued in Managua at the Presidency on the 9th day of September 1992.

Violeta Chamorro, president of the Republic of Nicaragua.

President Signs Property Decrees, Agreement

PA1009034192 Managua Radio Nicaragua Network in Spanish 2240 GMT 9 Sep 92

[Statement by Attorney General Guillermo Vargas Sandino at the ceremony for President Chamorro to sign decrees and an agreement on property rights at the Presidency in Managua—live]

[Text] I would like to emphasize the importance of the decrees signed a few minutes ago by President Violeta Chamorro. There are three decrees and a presidential agreement, and we believe they will have great importance for the remainder of this year and in the year to come. They will resolve a number of of problems on the properties under dispute due to confiscations, expropriations, or invasions that took place a few years ago.

As I said before, these decrees are very important. I will briefly address each one.

The first decree is No. 46-92. It reforms the Basic Law of the Attorney General's Office. It has enormous importance because since the beginning of President Chamorro's administration, the creation of a Property Ombudsman's Office...[corrects himself] a Human Rights Ombudsman's Office was announced. I have taken a personal interest in this Human Rights Ombudsman's Office because since I assumed the position of attorney general, I have mentioned at various forums the importance of this office. This office was just created by the president upon signing the aforementioned decree. It has great importance because the Inter-American Human Rights Commission made reference to the statements issued here in Nicaragua regarding this office.

One of the points of Decree No. 46-92 creates the Human Rights Ombudsman's Office. This very decree that reforms the Basic Law of the Attorney General's

Office also creates the Property Ombudsman's Office [Procuraduria de la Propiedad], which will be under the Attorney General's Office. The Property Ombudsman's Office will represent the state in the property problem and it will be placed under the attorney general. Therefore, this decree, which leaves other branches of the Attorney General's Office unchanged, reorganizes the Attorney General's Office and makes it more operational and able to handle matters pertaining to human rights and property.

I would like to make it clear that the Property Ombudsman's Office will be under the Attorney General's Office. It will not be a separate agency, as some media have reported. It will be under the Attorney General's Office, just like the Penal Prosecutor's Office, the Civil Prosecutor's Office, the Constitutional Prosecutor's Office, the Administrative Prosecutor's Office, the Labor Prosecutor's Office, and so forth. They are included in the Basic Law of the Attorney General's Office, which has just been reformed.

The following decree, Decree No. 47-92, deals with the reestablishment of the National Review Commission. As everyone will recall, Decree No. 11-90, issued in the early stages of President Chamorro's administration, created the National Review Commission to review the unjust confiscations and expropriations made in the last decade. This commission became practically inoperative with the issuing of Decree No. 23-91, which followed the Supreme Court's ruling declaring some articles of Decree No. 11-90 illegal.

After the issuing of Decree No. 47-92, the National Revision Commission will be reestablished with some variations regarding the commission that existed previously. It will have three members and it will be presided over by the property ombudsman, always under the Attorney General's Office. In addition, two other honorable citizens will form this commission. This commission will be appointed by the president and will be presided over by the property ombudsman. It will be tasked with reviewing the cases of all those persons who took advantage of Decree No. 11-90 published in the early stages of the Chamorro administration.

The third decree, Decree No. 48-92, refers to an expansion of duties of the Office for Territorial Reorganization, OOT, which as you all know just finished reviewing the requests concerning Law 85. Now, the functions of the OOT are expanded so it will review all land assignments made between the elections and the inauguration of the Chamorro administration. It will be tasked with reviewing the possible irregularities on land assignments perpetrated during the aforementioned period of time.

Those are the three decrees President Chamorro just signed. In addition, she signed a presidential agreement that we also deem very important. The intent of Decree No. 11-90 has been to return the properties unjustly confiscated to their rightful owners or to compensate the owners if the property could not be returned. That is why all the decrees to confiscate properties that were issued and implemented over the last decade have been revised.

Article 1 of the agreement signed by the president, which you already heard but that should be pointed out, states: Article 1: The National Revision Commission is hereby instructed to resolve all claims presented before the Property Ombudsman's Office in keeping with Decree No. 11-90 and its reforms. Only the claims on the implementation of Decrees 3 and 38 will be subject to revision by such commission.

In other words, the president instructed the commission that will be installed to resolve all confiscating decrees. In accordance with this, if properties can be returned, they will; if not, compensation will be paid. The revision of only the implementation of Decrees 3 and 38 is in order.

These are the highlights of the decrees and the agreement signed a few minutes ago by the president. They are very important because they are intended to rapidly resolve the property conflict.

Presidency Minister Featured in Roundtable

PA0809042392 Managua Radio Catolica in Spanish 1400 GMT 7 Sep 92

["Topics and Debates" roundtable program featuring Presidency Minister Antonio Lacayo with host Luis Mora Sanchez, Radio Catolica director Monsignor Bismarck Carballo, Freddy Rostran of Radio Catolica, Osvaldo Bonilla of UPI, Filadelfo Martinez of ACAN-EFE, Maria Talavera of BARRICADA, Joaquin Sanson Arguello of Radio Catolica, and other unidentified reporters—live]

[Excerpts] [Mora] [passage omitted] At this point, I would like you to comment on whether there is a real possibility of a devaluation of the Nicaraguan currency if U.S. aid is not forthcoming.

[Lacayo] We all know that Nicaragua depends to a great extent on foreign aid to continue the economic stabilization and structural adjustment processes initiated last year. Nevertheless, on several occasions we have faced a scarcity of resources, and we have been able to cope with our problems to the point that I could say that for over a year and a half we have been practically stable and capable of coping with our difficulties. We do not believe there will be a devaluation if the U.S. aid is delayed a little longer. There are other alternatives. We have excellent relations with the IMF and the World Bank, which disbursed $55 million approximately six weeks ago, and with the Inter-American Development Bank [IDB], which will disburse an additional $55 million in the next 10 days. All of these things strengthen our balance of payments and consolidate our currency.

Obviously, if the aid is delayed, there may be some restrictions, but there will be nothing alarming, nothing that merits a devaluation of our currency. [passage omitted]

[Carballo] We would like to welcome the presidency minister to Radio Catolica, make a comment, and ask a question. Former President Ortega spoke about the police force one day when he was here at the station. He said policemen would have to be robots to be without an ideology. [passage omitted] I ask the presidency minister: What ideology do you uphold and implement in the government? [passage omitted]

[Lacayo] As for my religion, I am a Catholic. I have always believed in that religion, which was passed on to me by my parents. I also believe that the promotion of freedom, of man, and of human rights should guide our actions. In that regard, we do not aspire to have the National Police without an ideology, or for policemen to be robots or anything of the sort, but we feel the police force should be a corps that identifies with the nation's interests, our Constitution, our laws, and with the Nicaraguan people's desire to live in peace, achieve progress, and live in a guaranteed state of law to avoid returning to the difficult situations we faced in previous years, particularly in the past decade. At that time, because we did not have such a state of law, Nicaragua practically sank into a state of violence. It became involved in a civil war. It became involved in a situation in which the lives of a great many Nicaraguans were lost. We regressed in terms of economic development, and I would say we also regressed in terms of the possibilities we had for coping with the thousands of difficulties in our daily lives.

After that war, after the losses sustained in lives, property, and even time in the past decade and in the wars prior to that period, Nicaraguans want to live in peace. We want a National Police that will help Nicaraguans live in peace and fulfill their dreams. [passage omitted]

[Bonilla] You have always said you tell the truth. This is the time to tell the truth now that there have been changes in the police. [passage omitted] After these changes, the people are waiting for the arrival of the famous $104 million or $116 million from the United States in exchange for those changes. Will there be more changes? Were those changes by the Nicaraguan Government a condition for the disbursement of aid, and how are the relations between the U.S. and Nicaraguan Governments at this time? [passage omitted]

[Lacayo] Regarding the changes in the police, I want to clarify to Osvaldo that the changes are those that took place on 5 September. The basic police law has been promulgated. From now on, that basic law will regulate the lives of policemen and the institution. Any future change will have to be made within the framework of that basic law. Now we are waiting for the United States to fulfill its commitment, a commitment it clearly made in March 1992 when there was a meeting of countries of the consultative group in Washington. With the presence of the World Bank, the IDB, and the IMF, each country indicated its interest in helping Nicaragua with specific amounts of money to promote an economic plan. On that occasion the United States pledged, in the presence of the international community, to provide a specific amount of money for 1992. We hope that in September there will be a disbursement so we can fulfill our commitment with the IMF and the World Bank. We made such a commitment because we knew the disbursements were going to be made. We think that after Mr. John Maisto's [U.S. under secretary of state for Central American Affairs] visit to Nicaragua, those disbursements will be made. The U.S. Administration is not interested in harming the economic process in Nicaragua, and that is what the U.S. officials told President Chamorro in their meeting with her. Therefore, I am optimistic, and I think that the much awaited disbursements will come in September. [passage omitted]

[Sampson] I am Joaquin Sampson Arguello from "The Truth Although It Hurts" segment of Radio Catolica's "Evening Magazine" program. I have one question that the public wants you to answer. The public says you are the power behind the throne. Are you aware of this, or is it just an illusion? [passage omitted]

[Lacayo] Regarding Joaquin Sampson's question about whether there is such a thing as a power behind the throne, I must say that I do not see it that way. I think that realistically speaking and in keeping with the constitutional mandate, our president is the one who makes the decisions in this country. All the people who know Mrs. Chamorro know this. During the visit by the U.S. delegation led by Mr. Maisto, Mrs. Chamorro was the one who made the decisions and responded to his concerns. I usually participate in these kinds of meetings, but on this occasion it was Mrs. Chamorro who led the discussions. She decides our foreign policy and the guidelines of our domestic policy. Once the framework has been decided upon, the ministers execute the policies. I would not say that Antonio Lacayo is the power behind the throne. I think I am very close to Mrs. Violeta Chamorro. I try to help her, but I must state clearly that she makes the government decisions, as a president should.

[Mora] Engineer Lacayo, on 4 September former President Daniel Ortega was a guest on this same program, "Topics and Debates." We asked him how long the transition pacts—which some people call the treason pacts—would last. Ortega said those pacts have the same expiration date as the Constitution, and the only way they could expire would be by amending the Constitution. In other words, former President Ortega gave those pacts a constitutional status. I would like to know, from your standpoint, how long will those pacts last, or when will they expire? That is my question. Maria Alicia Talavera of BARRICADA would also like to ask you a question. Good morning, Maria Alicia.

[Talavera] Thank you, Luis. My question is: Exactly what is the state budget reduction plan? The finance minister has said that the budget—public expenses—will

be reduced by 110 million cordobas. The government, however, has not specified how many public employees will be dismissed. We would also like to know if there will be a reduction in force in the police as local media have reported.

[Lacayo] I would like to clarify that point as I already can see a destabilization campaign in some media sources that have been talking about a reduction in force in the National Police, which is false. In fact, ranking police authorities know this very well. The only changes in the institution will be the ones that were recently announced. As of 5 September the National Police as an institution is under the basic law that was implemented on that day. We can say that the police force has more stability now than before that basic law was implemented. It would be irrational to believe that now, when there is a basic law, there will be more instability. There is no such reduction in force in the National Police. I would like to take this opportunity to send a message to each member of the National Police. They can rest assured and should not pay any attention to some media sources that are trying to fabricate a scandal just to sell a few more copies.

Regarding the budget reduction, we must try to see things clearly. It is not really a budget reduction; it is a reduction in the expenses of institutions not included in the budget but that are still part of the government. We are referring to autonomous institutions such as the Nicaraguan Water and Sewage Institute, INAA; Nicaraguan Telecommunications and Postal Services, Telcor; Nicaraguan Institute of Energy, INE; Nicaraguan Social Security and Welfare Institute, INSSBI; and the Managua Mayor's Office. Those agencies, which are part of the government, will be subject to budget controls; otherwise we could face the danger of having too much money in circulation.

The central government has been meeting its commitment to maintain total expenses within limits. During the first six months of the year, however, the tendency in institutions not included in the budget was to overspend. That will have to be corrected during the second half of the year. There is a deficit of 100 million cordobas that we will have to be reduced during the second half of the year. We hope to accomplish this by reducing expenses in various government institutions. For example, in the INE we are trying to generate more electricity based on [word indistinct] as we have had a beneficial rainy season. That has resulted in savings in the bunker bill, which in turn will contribute to the overall savings. We do not believe this will result in a reduction in force, as I have said that the deficit is not in the central government, but in institutions not included in the budget.

I will now answer the first part of your question on the transition protocols. I believe the transition protocols can last as long as the parties involved want them to last. They reflect the political willingness of the outgoing and incoming governments during a peaceful transition of power. [passage omitted]

[Mora] But first let us pose a brief question before giving the microphone to Rosario (Thorton). We want to hear an answer from Lacayo regarding the helicopters. Oddly enough, former President Daniel Ortega was the first to report on the helicopter sale. He said the money will be earmarked for a fund for retired soldiers. According to other information we have, the Nicaraguan and Peruvian Governments and Armies conducted the transaction; Major General Joaquin Cuadra personally conducted the transaction. General Humberto Ortega has also said the money will be used for retired officers to help those who are jobless and facing a difficult situation. What does the Constitution say? Is that money going directly into the coffers of the national government or treasury, or will the Army handle the money? Here is (Thorton).

[(Thorton)] Engineer Lacayo, Dr. Arges Sequeira, president of the Union of Nicaraguan Agricultural and Livestock Producers and of the National Federation of Individuals Whose Property Has Been Confiscated, is worried about matters dealing with compensation to Somozists. He said that if the government does not take this into consideration....[pauses] He said no civilized country can enact laws that discriminate against one group. The other question is: What specifically does the term just compensation mean?

[Mora] Engineer Lacayo, we would like to hear your answers to the questions we posed.

[Lacayo] I think we have a large number of questions. Perhaps I should answer in the order they were posed. I must first say that the National Police lacked a charter. That charter was issued on 5 September, and it clearly regulates the duration of the mandate of the police chief, the manner in which he is replaced, the specific mechanisms to find a successor, and so forth. As for our country's army, the equivalent charter has existed for some time now. It is called the Military Organization Law. It establishes replacement mechanisms. It also establishes the way in which a replacement is found for the Army chief.

For that reason, the situation that took place within the National Police when it still did not have a charter will not be mechanically repeated in the Army as it does have a military organization law. The case of Gen. Ortega is different in that respect. It is worth noting that the [words indistinct] on 24 April [1990] have been kept. Gen. Ortega is not a member of the cabinet. He served in the cabinet of the previous government as defense minister. He is not defense minister in the Violeta Chamorro government. He is the Army chief, and the Army chief is not a member of the cabinet. Mrs. Chamorro has not changed her mind about that since 24 April.

Concerning the accusations against Commander Augusto Fernando Caldera, I must say that the accusations I have heard or read in the newspapers refer to actions before 25 April 1990. We all know that the previous government in April 1990, as well as the

Chamorro government on 25 April 1900, issued amnesty laws. As Mrs. Chamorro said during the electoral campaign that in Nicaragua that means starting over with a clean slate. Some Nicaraguans who were ou, of the country during the campaign do not understand that. They do not understand because they did not experience the dynamics of the electoral campaign. Some people who lived in Nicaragua at that time let the campaign go unnoticed. They lived detached from the wealth of humanity that was felt in Mrs. Chamorro's speeches and the way in which the people responded to them.

Mrs. Chamorro talked of starting over with a clean slate. She spoke of forgiving each other. She talked of forgetting the past. In that respect, all of us are in one way or another to blame for what happened in Nicaragua. Some for what they did; others for what they failed to do.

There are people here on both sides who ordered murders, and there are people on both sides who did the actual killings. Violeta believes that if we continue digging into the past, things will be even more difficult. It is much healthier to join—as we did in 1990—a different situation where people begin to look into the future instead of digging into the past. Therefore, if these accusations aga.nst Commander Caldera were for actions he committed while he was police chief in Region Four in 1992 or in Region Five in 1991, then perhaps we would have a problem. The accusations are for actions committed seven or eight years ago. At any rate, those actions are covered by two amnesty laws. The important thing is to judge people on what they are doing now, for their professional work, for their behavior, and for their commitments as of the moment they began working with Violeta Chamorro's administration.

Regarding the other question, I must admit that we have begun, in fact, to hold talks with UNO [National Opposition Union] parties. In August we held talks with the National Conservative Party, the Popular Social Christian Party, the National Democratic Confidence Party, the Nicaraguan Socialist Party, and officials of the PIAC [Party for Integration of Central America]. We have also scheduled meetings with Conservative National Action, with other social Christian parties, and we will probably meet with the MDN [Nicaraguan Democratic Movement] as well.

We are holding talks with all UNO political parties that are interested in conversing with the government. We are seeking points of agreement. We are trying to view the country's situation from a mature point of view to see how the government and political parties can join efforts to give the country greater stability. There are other UNO parties that are experiencing conflicts and serious problems. We hope these situations will be resolved, and we will be talking with them in due time.

Regarding the helicopter sale, the Presidency issued a communique explaining the sale. What we are actually doing is changing our equipment. In other words, our Army was equipped for war. As of 1990, the government—and all Nicaraguans—were convinced the war is a thing of the past. Therefore, over one year ago President Chamorro ordered the Army not only to continue reducing its size—a process that began in 1990—but also to get rid of the arsenal that only served military purposes and in that way obtain the means to serve the Army's new stage of peace.

That is how we were able to sell the combat helicopters to Peru in order to purchase civilian-type helicopters that will carry government officials as well as Army personnel to various parts of the country. Inasmuch as they are for civilian purposes, these helicopters are more economical, versatile, and modern than the military helicopters we had. We also had the possibility of exchanging our helicopters for patrol boats from Peru. We need patrol boats particularly for guarding the marine platform on the Atlantic, which is a very rich Nicaraguan resource. Foreign ships enter without permission, fish, and then leave. Nicaraguan patrol boats will see to it that Nicaraguan resources will be available for the benefit of Nicaraguans. That is not the case today when, due to a lack of good surveillance, foreign ships are escaping everywhere.

In addition, the transaction with Peru will also serve to create an Army pension fund. This is an old aspiration of the Army, which has no social security. The officers who remain in the Army and continue with their career need to have a pension fund so when they conclude their duty they will be able to enjoy a dignified pension, like any other worker who has a right to enjoy a dignified pension.

The Army has not paid its contributions to the Social Security Fund in the last 10 years; therefore, the Army has not accumulated any funds. This pension fund must be created for the future benefit of the retired officers. We are trying to ascertain who can use the military equipment we no longer need—and which we maintain at a very high price—so we can exchange it for modern equipment that will serve us, such as helicopters for civilian purposes, patrol boats for the Atlantic area, and the pension fund.

Regarding the other question, our country is not discriminating with the Somozists. We are implementing the UNO government platform that says the confiscated property will remain as such under the provisions of Decree No. 3 dated 1979. That decree says the Somozists and the Somoza family, the National Guard officers, and the ministers of the Somoza government must lose their property inasmuch as it is presumed these were obtained under the protection of the dictatorship. That decree is still in effect because it is mentioned in the government platform. In other words, it was the will of the 14 UNO political parties, which clearly said in Article 4 of the basic principles: The property that was confiscated by virtue of Decree No. 3 will remain confiscated. Therefore, it is not that there is any separation, but rather we are complying with the political will that was clearly expressed in the government program. [passage omitted]

BCN President on Economic Measures

PA0809235592 Managua BARRICADA in Spanish 7 Sep 92 p 11

[Article by Guillermo Cortes Dominiguez]

[Text] The IMF requested on 3 September that the Central Bank of Nicaragua postpone for seven days the current verification process being carried out on the Structural Adjustment Plan implemented since March 1991, as the tidal wave could have caused the government to incur unbudgeted expenses.

BCN President Silvio De Franco also disclosed that Finance Minister Emilio Pereira recently spoke with the IMF in Washington to discuss ways of keeping the fiscal deficit—which has mounted in the past months—under control.

it was agreed with the IMF that the main goal for the end of the year would be "to comply with what was agreed upon in the budget and, in addition, to maintain stability," the minister reported. Moreover, the idea is that next year's budget be similar to this year's; "that it not be one bit higher."

The new agreement with the IMF implies a true "state reform" that includes the dismissal of many government workers. De Franco did not say exactly how many workers would be dismissed.

The reduction in public spending agreed upon with the IMF will mean the postponement of several investment projects, including an electricity generating project, the reduction of expenses in public institutions, and greater efforts to recover bank credits.

This part of the negotiations—as an advance part of the general verification that the IMF mission will carry out at the end of September—should have concluded by now. There was, however, a one-week delay due to unbudgeted expenses and additional donations received after the tidal wave.

De Franco referred to the principal economic indicators that the IMF mission will evaluate. "In terms of inflation and the fiscal deficit, we are doing well. We will have to work on certain deposits. The goal set for the reserves has been met. They depend on external factors such as AID and the $50 to $55 million we will receive this month from the Inter-American Development Bank [IDB]. We are also doing well in terms of other indicators such as debt payment."

Passing the IMF exam requires a great deal of effort to comply with a number of matters regarding deposits. It also depends on whether the $100 million arrives, if the unbudgeted expenses created by the tidal wave can be met with other aid, and if some projects can be postponed to a later date, the BCN president said.

De Franco blamed the skyrocketing fiscal deficit primarily on the fact that the nations's economic growth will be less than what is expected, but expenses will remain the same.

According to De Franco, three factors impeded the expected growth: the fall of export prices on the international market, a decrease in planting due to the uncertainty created by protests, and the insecurity generated by the failure to find a solution to the property problem.

This is an indication that "the IMF program must be revised. The program is not inflexible. It must adapt to the circumstances with the same spirit it was agreed upon; that is, to maintain stability and make structural adjustments," the BCN president noted.

De Franco assured there is no indication that the current exchange rate will change. "We currently have enough reserves to maintain the rate; it is not a matter of concern. I lose sleep over other issues, but not this one. There are enough reserves in the bank," he noted.

The bank president explained that the $104 million held back by the U.S. Government are slated not only for credit or reserve problems, but also for meeting foreign debt payments, specifically with multilateral institutions.

That is the heart of the problem. A delay in one of these commitments tangles up the whole macroeconomic government network. "Remember, the conditions are set out; if we do not comply with them, the rest begin to pile up," De Franco said.

De Franco denied there is inflation and attributed the rise in prices for some products to the fact that they are seasonal and to speculation by some sectors in the wake of the $100 million aid retention.

The BCN president based his statements on INEC [National Institute of Statistics and Census] statistics that, according to him, are arrived at by a method verified by the IMF in negotiations following the March 1991 stabilization.

Despite the absence of those millions of dollars, there is hope among the government experts. During a 2 September revision, according to the BCN president, "there are still some margins, not large ones, but there are some small margins left."

In uncommonly informal language for a "pure INCAE [Central American Institute of Business Administration] technocrat," De Franco said: "The catch would be if the release of the $100 million is postponed indefinitely. Then the adjustment will have to be greater if we want to maintain stability."

The BCN continues to sell dollars at a rate of five cordobas per dollar to importers who present their pro forma invoices. That is why he urged them "not to speculate."

De Franco is pleased with the "Waslala Announcements," particularly the government's decision to compensate with state assets individuals whose properties were unjustly confiscated.

"This is very much in line with the privatization idea. The truth is that privatization has not begun here. Some companies have been privatized and some properties have been returned," he commented.

De Franco added that in the modern world the privatization concept has been extended to electricity and telephone services. This process, he noted, must take place because the compensation received by the state is very large, and privatization reduces the size of the state bureaucracy.

The BCN president emphasized that "the other important matter in state reform is how to make better use of funds so more can be achieved with the same amount of money in such sectors as health and education."

De Franco refused to say how many employees will be dismissed, but he added: "The state cannot stay the size it is now. Here at the bank we are automating our systems, and certainly we will require less personnel. However, we will try to help the dismissed employees find other jobs and give them some financial compensation." He also said the Finance Ministry will become a superinstitution. "In a situation where a great effort is required to attain stability, the Finance Ministry must be particularly strong. I have said that for the past two years."

Finally, De Franco rejected former president Daniel Ortega's opinion, who said the remedy—the Adjustments Plan—is proving worse than the disease because the economic crisis has been aggravated.

"I think he is mistaking the disease for the remedy. He still refuses to understand that this country is in ruins, that our economy is in a precarious situation, and that a tremendous effort is required for recovery. No one likes to be the doctor of a patient in an extremely serious condition."

Panama

Minister Voices Support for Customs Director

PA0409175692 Panama City Radio KW Continente in Spanish 1200 GMT 4 Sep 92

[Text] Finance and Treasury Minister Mario Galindo, who is the immediate superior of Customs Director Rodrigo Arosemena, has advised his subordinate to present an amparo of guarantees before the Supreme Court of Justice to invalidate Attorney General Rogelio Cruz' request to remove Arosemena from his post.

Finance and Treasury Mario Galindo was in his office as late as 1845 on 3 September, but he did not receive any letter from Attorney General Rogelio Cruz requesting that Customs Director Rodrigo Arosemena be suspended from his post.

Radio KW Continente's reporter Roberto Rolando Rodriguez consulted Minister Galindo, who said the following:

[Begin recording] [Galindo] I have no knowledge of the contents of that letter, except what you are showing me. Therefore, all I can say is that I think the measure is absolutely unnecessary. In order to investigate Rodrigo Arosemena, it is not necessary to separate or suspend him from his post.

In addition, I have absolute faith in the honesty of Rodrigo Arosemena. I do not think he is capable of committing those crimes. I am not aware of all the components of the charges. You have just told me that charges have been raised against him concerning an advanced import permit granted for some equipment or goods by Mr. Aris De Icaza [Radio Exitosa owner]. I am not familiar with the case, therefore, I cannot comment.

Nonetheless, I can tell you that granting advanced import permits has been a practice in the Finance Ministry for the last 20 years. The system works as follows: When a person is unable to present all of the import documents, the merchandise is delivered to him instead of leaving it at customs. The Finance Ministry, with the Office of the Comptroller General, then follow up to make sure all taxes are paid. I repeat, that practice has been implemented for many years.

When I took over the Ministry, I had to decide if we were to continue with the practice of granting advanced import permits. I decided it was advisable, and I authorized Arosemena to continue granting advanced import permits in those cases that justified it.

That is all I can tell you because I know nothing else about the case.

[Rodriguez] Dr. Galindo, in the event you receive that letter within the next few hours or days, what will happen?

[Galindo] I am going to speak with Rodrigo Arosemena tonight and I am going to recommend that he present an amparo against the Attorney General's order calling for his suspension, among other things. That is my advice for Rodrigo and I am going to do that right now. [end recording]

Attorney General Comments

PA0409185692 Panama City Radio KW Continente in Spanish 1200 GMT 4 Sep 92

[Telephone interview with Attorney General Rogelio Cruz by reporter Roberto Rolando Rodriguez in Panama City—live or recorded]

[Text] [Rodriguez] We have Attorney General Rogelio Cruz on the line and we want to ask him about Finance and Treasury Minister Mario Galindo advising Customs Director General Rodrigo Arosemena to present an amparo of guarantees to invalidate the attorney general's decision announced on 3 September. Mr. Attorney General, what is your opinion on this?

[Cruz] I interpret this as more evidence of the fact we are living in a state of law in which conflicts are settled by the judiciary branch, in this case, the Supreme Court of Justice. Obviously Rodrigo Arosemena, as a Panamanian citizen, has a right to defend himself and to make use of all legal resources. This is the way I interpret the recommendation you claim the finance minister—as Arosemena's immediate superior and fellow party member—has made to Rodrigo Arosemena. They are both members of the same political party.

[Rodriguez] Mr. Attorney General, could you briefly explain what effect an amparo of guarantees would have on your request?

[Cruz] If the Supreme Court of Justice accepts the amparo of guarantees against my decision, it will temporarily suspend the measure imposed by the Office of the Attorney General while investigations are conducted.

If the court rejects the amparo, then evidently it will not suspend the measure. At any rate, the important thing for us is not the measure. The important thing is the conclusion of the dossier and the petition we would then file before the Supreme Court of Justice on the final outcome of the dossier.

[Rodriguez] Thank you very much Attorney General Rogelio Cruz for your statements to Radio KW Continente.

Galindo Urged To 'Comply'

PA0409200492 Panama City Telemetro Television Network in Spanish 1730 GMT 4 Sep 92

[Text] The finance minister should accept the order to remove the customs director from his post, inasmuch as this is an order from the Office of the Attorney General which should be complied with.

[Begin recording] [Attorney General Rogelio Cruz] That is no request; it is an order that must be complied with by the finance and treasury minister.

[Reporter] What if he does not comply?

[Cruz] Obvious, then it would be a case of contempt.

[Reporter] Would you then ask for his arrest?

[Cruz] I do not think we have to advance anything. We must wait for developments.

[Reporter] Do you have sufficient evidence—as he said in a television interview on 3 September—that proves this because these are very serious charges?

[Cruz] Definitely, these are very serious charges, and I believe we have the evidence.

[Reporter] From where did your office initiate these investigations?

[Cruz] In this specific case, the investigations began with charges presented several months ago. A former official from the Customs Directorate presented charges along with the original copies of several advanced import permits.

I have been good enough to ask for dismissal of charges against Rodrigo Arosemena on several occasions, the latest one just a few days ago. Now, if I am good for asking for dismissal of charges, I am also good for asking... [pauses] for ordering his suspension.

[Reporter] We hear that that the Attorney General's Office is also investigating other high-ranking officials from the executive branch.

[Cruz] On several occasions we have said that the easy days for the Attorney General's Office are over, that is, when it was investigating the criminals of the previous regime. Now, we begin the harshest times, when we have to investigate the public officials of the current administration.

[Reporter] When? Who are they? Who is going to be separated from his post next? Are there other officials on a list?

[Cruz] No, we cannot make announcements in advance on such serious situations. We are going to say it once when we have done it.

[Reporter] Do you then think there is too much corruption in the government?

[Cruz] Look, corruption is a problem, not of the government, not of Panama; it is a problem of all humankind. There is corruption in the public administration of all countries of the world, particularly in the best of democracies.

[Reporter] Is there corruption in Panamanian democracy now?

[Cruz] Definitely yes. I believe that there are various expressions of such corruption, and various statements have been made to this effect. For example, the comptroller general has made some statements. We must bear in mind that in a democracy, the Office of the Comptroller General and the Office of the Attorney General are the two institutions that must join efforts to fight corruption. [end recording]

With regard to the orders issued by Attorney General Rogelio Cruz calling for investigation of Customs Director Rodrigo Arosemena and his separation from his post, the Telemetro reporters have tried, to no avail, to obtain comments from Arosemena in view of the seriousness of the charges raised against him. In spite of the enormous efforts deployed, it has been impossible to locate Customs Director Arosemena anywhere. We believe he is holding private meetings, probably discussing the orders issued by the Office of the Attorney General.

Customs Director's Communique

PA0409194292 Panama City EL PANAMA AMERICA in Spanish 4 Sep 92 p 2A

[Communique issued by Rodrigo Arosemena, director general of General Customs Directorate, in Panama City; date not given—quotation marks as published]

[Text] Customs officials discovered a container of merchandise belonging to businesses of Mr. Divaldo Cano which also held $7,172,792 that had not been declared as cargo. As a result, the cash was seized provisionally by the appropriate authorities of the General Customs Directorate that also ordered Divaldo Cano's arrest.

Since then, the attorneys for Mr. Divaldo Cano and the Attorney General's Office have resorted to all kinds of extreme measures to remove this case from customs authorities and place the investigation under the exclusive jurisdiction of officials of the Public Prosecutor's Office, which is under the attorney general.

Divaldo Cano's attorneys on two occasions filed a petition for habeas corpus against an arrest warrant issued by customs authorities under the pretext that they lack authority and that as a result of this Cano should be placed under officials of the Public Prosecutor's Office. On both occasions the Supreme Court of Justice plenum dismissed the habeas corpus petition and declared the arrest legal. It also ruled Cano was under arrest by customs authorities.

Cano's attorneys also filed an amparo of constitutional guarantees against the bail that was set for his release. Once again the Supreme Court of Justice plenum dismissed the amparo in favor of Cano and against custom authorities.

As a result of Cano's arrest and despite the rulings of the Supreme Court of Justice, Cano's attorneys filed a criminal suit at the Attorney General's Office against me, in my capacity as customs director general, and against the regional customs administrator for the eastern area, under charges of having allegedly abused power and duties. The attorney general immediately admitted the suit and ordered the regional customs administrator to testify at his office.

The regional customs administrator and I were forced to file an amparo of constitutional guarantees before the Supreme Court of Justice against the attorney general's action that was intended solely to obstruct the case against Cano that was being handled by the customs directorate. The Supreme Court ruled in our favor and revoked the attorney general's actions.

The newspaper LA PRENSA on 5 March 1992 published a report quoting an official source, who asked not to be identified, stating that of the money found in the container sent to the companies of Divaldo Cano, five boxes containing $1.8 million were lost. According to the same LA PRENSA report, the top government source added that, concerning the alleged loss of $1.8 million, "the U.S. investigators know everything about it...the Drug Enforcement Administration (DEA) knows about the affair of the 14 boxes of money and the five boxes that got lost, and they are very disturbed." LA PRENSA maintained the identity of the source secret.

When the aforementioned report was published by LA PRENSA, the attorney general used it as evidence that a crime was possibly perpetrated. Therefore, he opened a penal case based upon it. The proceedings being conducted under the pretext of investigating the alleged loss of $1.8 million is aimed against me. I have in my possession a certification by U.S. authorities which states that they do not know anything about the alleged loss and that there is no information or evidence to support this allegation.

According to the information that I have received, the high-ranking government source who made statements to LA PRENSA did nothing but spread information that served as a basis for the attorney general to begin an investigation.

On top of all that, when he ordered that I be removed on 3 September, the attorney general ordered that Divaldo Cano, who is not under his jurisdiction but under that of the customs office, be taken from jail to the Paitilla Clinic to receive medical attention.

And this is not the end of it. In addition, a suit was filed against me for alleged corruption, because of the special permits granted by the Customs Office General Directorate. These permits are given to allow the importation of merchandise while the corresponding customs procedures are fulfilled. These permits have allowed the introduction of merchandise to the country for the government and for keeping the country's industries operating efficiently.

Since I assumed the position of customs director, I informed the Finance and Treasury Ministry of the need to continue the practice of issuing special permits, although controlled, as authorized by Law 16 of 1979. This will contribute to reactivating the industrial and commercial activity of the country, as well as the operation of the very government. Dr. Mario Galindo, minister of finance and treasury, has repeatedly reiterated that he supports the issuing of special permits, because their suspension could halt and paralyze the national economy.

From all of the above, it can be inferred "that for some unknown reason, the attorney general, beginning with the case of Divaldo Cano, is trying by all means to get me dismissed [separado] from the post of customs director," Arosemena concluded.

Attorney General Yields

PA0909165492 Panama City LA PRENSA in Spanish 9 Sep 92 p 1

[Report by Ibeth Vega and Elio Rujano]

[Text] Attorney General Rogelio Cruz on 8 September yielded to the Supreme Court injunction against Cruz' order to suspend Customs Director General Rodrigo Arosemena from his post until a ruling is reached regarding an amparo filed on Arosemena's behalf.

Cruz' decision came after the Supreme Court accepted a writ of amparo for protection of constitutional guarantees filed by Arosemena. Last week, Cruz had ordered Arosemena removed from his post pending investigation of corruption charges and abuse of power in issuing customs permits.

The attorney general said he has provisionally lifted Arosemena's suspension while the court studies the amparo and determines if the customs director is guilty of graft.

In a letter to Supreme Court Magistrate Rodrigo Molina, Cruz said it is necessary for the court to be aware of all the investigations that have been carried out regarding the charge against Arosemena.

"Attached is an authenticated copy of the summary proceedings against Arosemena, with no comment on our part, so that the plenum of the honorable court may be enlightened regarding our actions," the attorney general reports in the letter.

Molina was charged with studying the amparo filed by Arosemena and substantiating a resolution for referral to the Supreme Court.

Meanwhile, several Comptroller Office documents sent by the Attorney General's Office to the press indicate that 2,254 advance permits granted by the General Directorate of Customs over the past two years are pending payment.

Of the permits mentioned, 728 are for the period from January to September 1990, and 1,526 for the period from October 1990 to July 1991, according to reports from the Consular-Trade Directorate of the Comptroller's Office.

Auditors have informed Comptroller General Ruben Dario Carles that the documents do not indicate the amount of money owed to the National Treasury, "because the permit forms do not provide sufficient data."

Commentary Views Endara Administration

PA0709230392 Panama City LA ESTRELLA DE PANAMA in Spanish 4 Sep 92 p A5

[Commentary by Luis Vejarano: "The Country Continues Adrift"]

[Text] A few days ago we read an article by James Aparicio entitled "A Country That Wanders Adrift" where an evaluation is made of the protests and violent disorders that have taken place over the past 26 months of President Endara's administration. Among others, Aparicio attributes these events to reasons such as political considerations, demands for compensation claims, and rising unemployment. James pointed out "it is unacceptable that the government still does not have a strategy to reduce unemployment and increase the populations's standard of living, considering the fact that 40 percent of the population lives in poverty".

Consequently, after more than 30 months having passed, it is paradoxical that a government, which describes itself as democratic, should adopt dictatorial positions that are expressed as political persecution. In addition, the boastful arrogance of many government officials use their "intellectual boastfulness" to conceal the same crimes they committed with incredible impudence during the previous regime. Out of respect for my fellow readers I am going to refer to one specific case.

There is the brother of a magistrate who currently is deputy director general of a state autonomous institution in the Endara administration. This fact by itself constitutes a clear case of nepotism. This person has made a living out of persecuting his subordinates who, at one time, were also members of the same political party he belonged to during the previous regime. However, most of them have now become members of the Arnulfist Party [PA] because they consider that the institution represents a political opening for the PA. Others joined the party because they were traditional Arnulfists, and others did it in order not to lose their jobs.

Nevertheless, the high and mighty deputy director is being linked to a "protege" whom he reinstated despite the fact that she had been removed from her position as result of financial irregularities disclosed by the Office of the Comptroller General as part of a scandal that still has not been solved by the courts. The aforementioned deputy director boasts that he does not belong to any political party, although it is said that he was a leading member of the PRD [Revolutionary Democratic Party]. In addition, at one time he occupied the position of credit supervisor of another state institution during the management of former National Savings Bank Directors Luis Pabon and Jaime Simmons.

The infamous official is the same one who, during the past regime, specialized in persecuting those who at the time were labeled as seditious. He even compiled lists of all those public employees who did not participate in pro-government marches. The alleged official even participated in the burning the Stars and Stripes. However, he now prefers not to be reminded of that incident so as not to irritate his American proconsul. For now, I am withholding his name, but I am carefully watching his steps. Well, what do you know? History continues to repeat itself. Where is Javier?

There are countless other examples similar to this case. This is well known because this is a small country, and we all know each other. Nonetheless, we continue to wander adrift as James pointed out. It now happens that differences between high government officials are on the

rise. Government officials, who in their yearning to stay in power, have no reservations in making corruption, nepotism, and influence peddling charges against one another. Furthermore, what is even more harmful to the nascent democracy they advocate is the deterioration caused by the political-social crisis that is being felt by a large majority of the popular sectors of Panama. This same majority is constanty being kept on the brink of social disaster, chaos, and despair.

Everyday we hear public accusations involving many of the crusaders [supporters of the National Civic Crusade, CCN], who at one time waved white handkerchiefs, blew whistles, and beat pots and pans for the gringos to depose General Noriega. However, in the aftermath of the misery caused by the invasion and the barbarism that took place, we now have social injustices, abuse of power, and uncertainty—which are both the causes and effects of robberies, assaults, rapes, and murders—and it has all grown worse. We also have unemployment, hunger, disastrous poverty, expensive food, unpopular laws, and to make matters even worse, they want to force feed us a YES vote on the constitutional reforms in a referendum where the people are preparing to respond with a categorical NO!

There are still other negative implications for the people. It is well known that the United States is behind everything taking place. Their objective is to legitimize the Endara government and eliminate constitutionally—they have already done it by force—any possibility of Panama ever having the forces to defend the canal as demanded by the Canal Treaty.

If the referendum results in a YES, the U.S. Government will then have judicial backing to denounce Panama's nonfulfillment of the Torrijos-Carter Treaty. That will allow the United States to remain at the Howard and Rodman military bases after 31 December 1999. The objective behind this is to maintain their bases completely free and at the same time have a foothold from which to continue on their hegemonic course throughout the region.

Finally, in light of who is governing us, there is the intention to implement a neoliberal system whereby the rich get richer, thereby allowing "large sums of money" to trickle down to the needy majority. There is every indication that this plan will be implemented, but the people still have time to keep it from happening. We must realize that despite the fact that the Panamanian people have been traumatized and terrorized by the invasion, they are now losing their fear of forceful repression, tear gas, and even bullets. The people are ready to protest and demand their social benefits in the streets. They are prepared to defend the sacred ground rules of a genuine democracy by the people and for the people.

Argentina

Cavallo Departs for Netherlands, Great Britain

PY1609032492 Buenos Aires LA PRENSA in Spanish 9 Sep 92 Section 2 p 9

[Text] Economy Minister Domingo Cavallo today will begin a tour of the Netherlands and Great Britain to attend two international seminars on privatization. He also will meet government officials from the two countries.

Cavallo, along with his spokesman, Adrian Gomez, and officials from the private secretariat, departed from Ezeiza [International Airport] on a KLM flight to Amsterdam.

In the Netherlands, he will begin his activities today by meeting Deputy Prime Minister Wim Kok. Afterward, Cavallo will attend a luncheon during a seminar on privatization. Later, he will meet Economy Minister Jacobus Andriessen.

Cavallo will arrive in London tomorrow at 1000 and grant interviews to local media throughout the day. In the evening, he will attend a dinner with entrepreneurs and investors. During the dinner, Cavallo will explain the development of the Argentine economic program.

Signing of Debt Rescheduling Agreement Postponed

PY0709161392 Buenos Aires CLARIN in Spanish 2 Sep 92 pp 10-11

[Text] The signing of an agreement on the rescheduling of Argentina's foreign debt has been put off because of the legal problems arising from the drafting of the documents, which must be approved by the Argentine Government and the creditor banks.

The signing of the agreement, which was slated to take place in Buenos Aires on 18 September, has been deferred to an unspecified later date. William Rhodes, chairman of the committee of creditor banks, has also postponed his trip to Buenos Aires until a date is set for the signing ceremony.

Meanwhile, the economic team will try to exert more pressure on the creditor banks to make them change their selection of the different papers [los distintos papeles]—par-value and discount bonds—which make up the terms approved for the debt restructuring.

Finance Under Secretary Daniel Marx has travelled to Washington on a confidential mission to propound a new round of negotiations with the banks. Some 10 banks have reportedly resolved to change their selection, switching from par-value bonds to the type of paper [a los papeles] that would entail a reduction of the principal. The IMF and the World Bank have firmly supported Marx's endeavors.

Marx has reportedly succeeded in making banks such as Citibank, Morgan Bank, Chemical Bank, and Manufacturers Hanover Bank agree to send to the Argentine financial delegation in Washington a written request stating their wish to change the selection they have made to collect the repayment of Argentina's foreign debt.

Until now only 20 percent of the total of banks have chosen to reschedule Argentina's foreign debt by trimming off 35 percent of its principal, while the remaining 80 percent has opted for a fixed-rate bond and no principal reduction.

The bankers' initial decision sparked off an angry reaction from the Argentine Government, for it clouds the success of the Brady Plan, which entails precisely a reduction of the principal.

The agreement reached between Marx and the creditor banks can reportedly be summed up as follows:

—The banks will accept a 30 percent reduction of the principal, while the interest to be paid on the remaining 70 percent will be fixed.

—Negotiations will also be conducted with other minor creditors so that the creditor banks as a whole may accept the debt rescheduling plan.

The economy minister himself will arrange the final details with bankers during the IMF annual meeting to be held 20 September.

During the annual meeting Economy Minister Domingo Cavallo plans to hold a summit meeting with Rhodes to find a solution to the issue. The IMF annual meeting will once again be the backdrop for the grand finale in Argentina's legal incorporation into the Brady Plan.

These few bits of information have been gleaned from what transpired during the daily telephone communications between Marx and Cavallo who, in spite of the domestic problems confronting him, keeps monitoring Argentina's negotiations.

Taking advantage of the fact that Cavallo was in the United States, Marx met with him in New York over the last weekend.

Michel Camdessus, the IMF managing director, is so eager for an agreement to be reached that he commanded IMF officials to hold negotiations with the committee of creditors to seek a solution to Argentina's foreign debt.

The interest of both the IMF and the World Bank is by no means prompted by philanthropic motives because, should the banks reject a debt rescheduling plan entailing a 35 percent reduction of the principal, they will have to contribute with a larger amount of money to backstop Argentina's debt security to enter the Brady Plan.

Brazil

Collor Cancels Trip to UN General Assembly

PY0909233792 Brasilia Voz do Brasil Network in Portuguese 2200 GMT 9 Sep 92

[Text] President Fernando Collor has canceled his trip to New York for the opening of the UN General Assembly session. The presidential press office has just reported that the president canceled his trip to New York to deliver the opening speech of the General Assembly. The trip would have taken place from 19 to 22 September.

The presidential press office stated that the trip was canceled because President Collor wishes to follow closely the development of the political crisis. The president of the Republic will be represented at the United Nations by Foreign Minister Celso Lafer.

Supreme Court Asked To Change Voting Rules

PY0909181392 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 9 Sep 92

[Text] The federal government will today file a court injunction to change the rules dictated by Chamber of Deputies President Ibsen Pinheiro on the vote on the impeachment request against President Fernando Collor.

Geilmar Ferreira, chief presidential legal adviser, said the schedule for voting on Collor's impeachment was illegal and abnormal.

[Begin recording] What is shocking, really unacceptable, and contrary to all practices in our state of law is this new decision, this process constructed by Chamber of Deputies President Ibsen Pinheiro. This is something that—based on our understanding of the matter—was not even seen in the dark days of the military dictatorship. This did not even take place at the Nuremberg trials. [end recording]

Gilmar Ferreira said that if the Supreme Court allows the injunction, then the decision of the Chamber of Deputies' president will be automatically suspended and the Supreme Court will define the criteria for the voting process.

Presidential Spokesman Etevaldo Dias said that President Collor received Ibsen Pinheiro's decision with surprise because of its lack of a legal basis.

Writ of Injunction Requested

PY0909212492 Rio de Janeiro Rede Globo Television in Portuguese 1600 GMT 9 Sep 92

[Report by Alexandre Garcia from Brasilia]

[Excerpts] We are at the Supreme Court awaiting the arrival of Planalto Palace lawyers, who are bringing the government request for a writ of injunction against a decision by the Chamber of Deputies president arguing that the vote must be secret and that the president cannot be separated from his post by the Chamber of Deputies without exercising his right to a defense. Once the petition is filed, there will be a draw to establish which justice will examine the request. He might decide to admit the petition or not. In any case, his decision will be submitted to the Supreme Court plenum a few days later. Before the final decision is handed down, the coordinator may ask the Chamber of Deputies for further information. If such a request is made, the Chamber of Deputies will answer as follows: The president will have the right to a defense at the Chamber of Deputies if he is to be tried, and will have the right to a defense during the trial by the Senate.

Regarding the schedule and voting mechanism, the Chamber of Deputies will say that the Constitution derogated part of the law on impeachment and that is why the regulation applies to the defense, considering that the matter has high priority. The Chamber will also argue that the Constitution did not, however, derogate the part of the law establishing the nominal vote. The Chamber president carefully analyzed a Supreme Court decision on a request for court protection in 1989 on an impeachment request against President Jose Sarney. [passage omitted]

Here at the Supreme Court, Planalto Palace lawyers are filing a writ of injunction. The document asks the judge who will be elected as coordinator to issue a swift decision accepting or rejecting the government argument that the vote must be secret and that the president has the right to a defense.

Justices To Evaluate Decision

PY1009003292 Rio de Janeiro Rede Globo Television in Portuguese 2300 GMT 9 Sep 92

[Report by Alexandre Garcia from Brasilia]

[Text] Here at the Supreme Federal Court [STF], Justice (Otavio Galote) has decided that he will not make a personal decision on the injunction sought by the government, on the writ of injunction that the government wants. The injunction will be evaluated tomorrow by a plenary of nine STF justices.

Moreover, the ninth federal court judge has just handed down a ruling on the federal police inquest investigating the PC [Paulo Cesar Farias] scheme. The ruling is still being finalized and will only be released tomorrow.

The federal police asked the federal courts to order the preventive custody of driver Paulo Roberto Marcial, alias Roberto Carlos Marcial, [former Private Presidential] Secretary Claudio Vieira, and Mr. Paulo Cesar Farias. The federal police also want the STF to send the portion of the inquest involving the Casa da Dinda's [Collor's private residence in Brasilia] garden expenses and the expenses incurred by the president of the Republic and his relatives and registered in Claudio Vieira's and [former Private Presidential Secretary] Ana Acioli's accounts. This petition is supported—favorably—by the two prosecutors who worked with the

CPI [Congressional Investigating Committee]. Sending this petition to the STF is tantamount to saying that the president is involved in this inquest. These two prosecutors are the main assistants to Attorney General Aristides Junqueira, who is reviewing the CPI documents.

A few minutes ago, the attorney general said that he is just waiting for the police inquests that are at the ninth federal court before concluding a questionnaire that will be presented to the president of the Republic through the STF.

Now here is another decision: Minister [Secretary General of Government] Jorge Bornhausen will talk tonight with Justice Minister Celio Borja and Senator Hugo Napoleao, the PFL [Liberal Front Party] president and tomorrow at 0900 he will tender his resignation to the president of the Republic.

Committee To Vote Regarding Appeal of Procedures

PY1009021492 Brasilia Voz do Brasil Network in Portuguese 2200 GMT 9 Sep 92

[Text] The Chamber of Deputies Constitution and Justice Committee will vote next week on the decision by Deputy Jutahy Magalhaes, Jr. [Brazilian Social Democracy Party, PSDB-Bahia] regarding the appeal of the procedures followed for the request for the impeachment of the president of the Republic.

The appeal, which was presented by Deputies Humberto Souto [Liberal Front Party, PFL-Minas Gerais], Roberto Jefferson [Brazilian Labor Party, PTB-Rio de Janeiro], and Gastone Righi [PTB-Sao Paulo], was objected to by Deputy Jutahy Magalhaes, Jr., coordinator of the Constitution and Justice Committee.

Deputy Humberto Souto, government bloc leader in the Chamber of Deputies, said Jutahy's decision contradicts another proposal being studied in the same committee.

[Begin Souto recording] I would like to recommend that Deputy Jutahy make a decision on a proposal made by his own father, Senator Jutahy Magalhaes [PSDB-Bahia], in the Senate and which already is in this committee ready to be voted on, and which establishes a system allowing the president of the Republic to defend himself.

What is sought here is to violently and aggressively oust the president of the Republic, without giving him a right to defend himself. You must really think whether it is appropriate or not to do this. We know there is a crisis, but I think that first you must try to seek a juridical conscience, to be concerned, and to seek tranquillity, so that you may decide justly and grant the right of defense to someone who will be judged. [end recording]

The proposal will be voted on 15 September because several deputies asked to examine the coordinator's decision. In order for his decision to pass it must be approved by 30 of the committee's 59 deputies. However, the final decision on the subject must be made by the plenary of the Chamber of Deputies.

The procedural norms for the impeachment request that were announced yesterday also were objected to by constitutional expert Ives Gandra. He thinks the period of time given to the defense is too short and the Chamber of Deputies should vote twice on the impeachment request. He added that Chamber of Deputies President Ibsen Pinheiro has shown disrespect for the Constitution.

[Begin Gandra recording] He is disregarding Article 51, Paragraph 1, of the Constitution, which establishes that a two-thirds vote is necessary to open the process. He .s disregarding the period of time given to the defense. He is disregarding Article 86, which requires a two-thirds vote to accept the accusation, and he was not aware that there were effectively three laws pertaining to the subject: The Constitution, Law No. 1079, and the Chamber of Deputies' internal regulations, and he did not follow any of the three. [end recording]

Iris Gandra, who is author of the book entitled "Impeachment in the 1988 Constitution," believes the Federal Supreme Court will accept the injunction filed by the government to extend the period of time for the defense. Iris Gandra was in Congress today to participate in a debate on the fiscal reform in the committee studying the subject.

Collor's Lawyer Criticizes Impeachment Procedures

PY1009033492 Brasilia Voz do Brasil Network in Portuguese 2200 GMT 9 Sep 92

[Report by Luiz Augusto Mendonca from Planalto Palace]

[Text] President Fernando Collor's private lawyer criticized the impeachment process adopted by the Chamber of Deputies. The rules announced by the Chamber of Deputies president for the vote on the admissibility of President Collor's impeachment was criticized a short while ago here in Planalto Palace by lawyer Jose Guilherme Villela.

Jose Guilherme Villela said the so-called Ibsen law does not allow the president of the Republic to defend himself:

[Begin recording] What is surprising about Ibsen Pinheiro's decision is that he did not adopt either the norms of the internal regulations nor the norms of Law No. 1079 because the two norms guarantee the elementary right of defense to the defendant. The 1988 Constitution even has added to this right of defense, because in the past the law established that the norm was applicable only to penal processes, to processes in which there was a defendant, but it currently is no longer like that. The Constitution now says that in any legal process, including legal proceedings ...[changes thought] Therefore, if the Constitution is to be obeyed in this country, any legal process is guaranteed the right to an adversary system, a broad defense, and all the means and resources it is entitled to. [end recording]

Lawyer Jose Guilherme Villela also said he believes the Federal Supreme Court will make a decision as fast as possible either in a plenary meeting or through its coordinator, Justice Armando Veloti, regarding the injunction filed against the procedural norms for the impeachment request.

Habeas Corpus Writ for Farias Rejected

PY1009005692 Rio de Janeiro Rede Globo Television in Portuguese 2300 GMT 9 Sep 92

[Text] The Supreme Federal Court has rejected a writ of habeas corpus for Paulo Cesar Farias filed by Sao Paulo Attorney Maurilio Costa.

Justice Paulo Brossard rejected the writ for lack of grounds.

Military Against En Masse Cabinet Resignation

PY0909224192 Rio de Janeiro O GLOBO in Portuguese 9 Sep 92 p 5

[Text] Brasilia—During a meeting at Itamaraty yesterday, the military ministers said that they will not join the civilian ministers in an en masse resignation. The military ministers said that they will only leave if instructed by Fernando Collor, or Itamar Franco should he assume the Presidency due to the president's exit following the approval of the Chamber of Deputies' request for impeachment.

Navy Minister Mario Cesar Flores yesterday told GLOBO that "the military ministers will remain loyal to the commitment by all Collor's ministers in the governability declaration." The declaration does not provide for the departure of ministers, it only guarantees administrative normalcy during the current political crisis. A date for the en masse resignation to coincide with the admissibility of impeachment, which the military does not approve, is not established in the document.

Yesterday a military adviser stated that the exit of the military ministers, if not ordered by the president himself before or after the impeachment vote in the Chamber of Deputies, would have a negative impact on the Armed Forces.

The adviser said: "The military ministers will await a request by the president—be it Collor or Itamar Franco. The president is the one who determines if a minister should remain in his post."

The military ministers refused to comment on the booing Collor received during the Independence Day military parade in Brasilia.

Franco's Security Service Reports Phones Tapped

PY1009030492 Rio de Janeiro Rede Globo Television in Portuguese 2300 GMT 9 Sep 92

[Excerpt] Vice President Itamar Franco's security service has reported that the telephones of the vice president's house in Brasilia and at the Gloria Hotel, where the vice president usually stays in Rio de Janeiro, were tapped.

Commander Carvalho, who is responsible for communications security at the vice president of the Republic's house, explained that a telephone tap was discovered last weekend at Vice President Itamar Franco's house in the Peninsula dos Ministros neighborhood. The tapping was done through a telephone exchange at the neighboring house, which belongs to the government and is unoccupied.

According to Commander Carvalho, the vice president's security service suspected that the telephones were tapped because several long-distance calls were interrupted. [passage omitted]

Fiuza Releases Funds for Political Allies

PY0709191092 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 4 Sep 92 p 4

[Text] Brasilia—Social Action Minister Ricardo Fiuza released in August 144.5 billion cruzeiros of the 1992 budget for more than 50 cities, most of which encompass the electoral base of congressmen who oppose the impeachment of President Fernando Collor. Fiuza is a member of the government storm troopers along with Federal Savings Bank President Alvaro Mendonca and Bank of Brasil President Lafaiete Coutinho.

The resources released by Fiuza for the construction of public housing and infrastructure have been approved in the union budget. The resources were frozen, but with the worsening of the crisis they began to be distributed. Deputy Elisio Curvo (PRN-MS) [National Reconstruction Party-Mato Grosso do Sul] admitted that the 184 million cruzeiros for Miranda (MS) was his own initiative. Curvo is one of the main defenders of the government and is also a member of the storm troops against impeachment.

Since the CPI [Congressional Investigating Committee] began its investigation on the activities of businessman PC [Paulo Cesar] Farias, the government has asked Congress for a budget reinforcement of about 6 trillion cruzeiros. Of that amount 5.2 trillion will be appropriated to the Health Ministry to pay hospitalization expenses. What the opposition is concerned about is the volume of resources the government requested one month ago for the Social Action Ministry—144 billion cruzeiros—because they could be used to preserve the president's term in office.

The government bill submitted to Congress reported only generically that the money be used for "public housing projects, urban infrastructure, and to help

reduce city problems." In Congress the bill received 1,450 amendments, none of which was accepted by coordinator Ezio Ferreira (PFL-AM) [Liberal Front Party-Amazonas] who is an unconditional Collor ally. If the bill is passed as it stands, Minister Fiuza will use the resources of his own judgment.

List of Funds Released by the Social Action Ministry

City	Value (cruzeiros)	Political sponsor
Olinda (PE) [Pernambuco]	7.2 billion	Jose Carlos Vasconcellos (PRN)
Caucaia (CE) [Ceara]	4.6 billion	Ernani Viana (PSDB) [Brazilian Social Democracy Party]
Acarau (CE)	4.6 billion	Ernani Viana (PSDB)
Maracanau (CE)	1.84 billion	Luis Girao (PDT) [Democratic Labor Party]
Orobo (PE)	1.4 billion	Inocencio Oliveira (PFL) and Gilson Machado (PFL)
Nilopolis (RJ) [Rio de Janeiro]	922 million	Roberto Jefferson (PTB) [Brazilian Labor Party]
Blumenau (SC) [Santa Catarina]	922 million	Nelson Morro (PFL)
Dourados (MS)	462 million	Jose Elias (PTB)
Barao de Melgaco (MT) [Mato Grosso]	461 million	Jonas Pinheiro (PFL)
Macaparana (PE)	368 million	Maviael Cavalcanti (PFL)
Jardim (MS)	322 million	Nelson Trad (PTB) and Flavio Derzi (PRN)
Crato (CE)	314 million	Orlando Bezerra (PFL)
Miranda (MS)	184 million	Elisio Curvo (PRN)
Guia Lopes de Laguna (MS)	78 million	Flavio Derzi (PRN)

Government Not To Purchase U. S. Wheat

PY0909185892 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 9 Sep 92

[Text] The Brazilian Government will not accept subsidized wheat purchases from the United States. If private companies want to do it, the government warns that it will apply the law on compensatory rights. This position was made clear in an official note released at the end of a meeting between the ministers of agriculture, economy, and foreign relations last night.

Agriculture Minister Antonio Cabrera, Economy Minister Marcilio Marques Moreira, and Foreign Minister Celso Lafer last night met at the Foreign Ministry to discuss the U.S. Government announcement that it will sell 30 tons of subsidized wheat to various countries, including Brazil. The official note released by the three ministers expressed concern over the U.S. decision, asserting that the government will not purchase subsidized wheat.

Agriculture Minister Antonio Cabrera said the government note can be summarized in two points:

[Begin recording] First, the Brazilian Government will not import wheat from the United States. If private companies want to do it, we make clear that we will apply the law on compensatory rights. [end recording]

Minister Cabrera said the government took a position favoring Mercosur [Common Market of the South] because it showed respect for Mercosur regulations, adding that Brazil will purchase Argentine wheat.

Poll Reveals Preference for Parliamentary System

PY0809220492 Sao Paulo FOLHA DE SAO PAULO in Portuguese 7 Sep 92 Section 1 p 5

[Summary] According to a recent poll by DataFolha, 54 percent of Brazilians prefer the parliamentary system of government, while 28 percent believe the presidential system of government is more efficient. The percentage of people in favor of the parliamentary system of government grew eight percentage points in one year: In September 1991, 46 percent supported that system, while 36 percent were for the presidential system. The poll showed that in one year the percentage of people who support the republican system of government dropped from 56 to 52 percent, while those who want a monarchy grew from 19 to 23 percent.

Auction Dates Set for Remaining Steel Plants

PY0509173692 Rio de Janeiro O GLOBO in Portuguese 3 Sep 92 p 29

[Text] The BNDES [National Bank for Economic and Social Development] yesterday announced the privatization timetable of the last four public steel plants still controlled by the government. BNDES Director Sergio Zendron said that with the sale of these four plants, all Brazilian steel production will be privatized.

The first company on the list is Acesita [Itabira Special Steel Company], scheduled to be auctioned on 22 October. Next on the list is CSN [National Iron and Steel Company], to be auctioned on 22 December; then comes Cosipa [Sao Paulo Iron and Steel Company], on 17 February 1993; and finally comes Acominas [Minas Gerais Steel Company], on 17 March 1993.

The auction dates of the last three companies were set only because the Directive Committee of the National Destatization Program approved in its last meeting a proposal for restructuring the CSN and Cosipa through Siderbras [Brazilian Iron and Steel Company] which will assume part of the debts of the two companies. The debt of CSN, which amounts to $1.55 billion, will drop to $700 million and that of Cosipa, which amounts to $1.8 billion, will drop to $300 million. Given that their debts

are incompatible with their production volume and sales, the two companies could not compete with Usiminas [Minas Gerais Iron and Steel Company] and the Tubarao Iron and Steel Company. The situation of CSN is difficult since two-thirds of its debt is already overdue, and its total annual sales amount to only $1.5 billion. The situation of Cosipa is worse yet: its annual sales are only $900 million.

Chile

Government on Americas Watch Report on Torture

PY0509134692 Santiago Radio Cooperativa Network in Spanish 2300 GMT 4 Sep 92

[Text] The Chilean Government condemns torture and encourages those who believe they have been harassed, whether they are accused of political or petty crimes, to bring the issues before a court.

This afternoon the Interior Ministry responded to accusations by Americas Watch, an American human rights organization, which contends that torture prevails in Chile.

Interior Ministry attorney Luis Toro recalled that from the very first day of Aylwin's administration, it refused to use any type of torture for people under custody. National and international human rights organizations and even the United Nations in Geneva acknowledged this fact in 1991.

Luis Toro stated that the specific accusations by Americas Watch are being investigated now by the courts, which have not yet passed sentence.

[Begin Toro recording] This does not mean that there might be some exceptions and that some excesses might have been committed. Anyway, the government encourages those who believe their fundamental rights have been violated, whether they are accused of political or common crimes, to exercise their rights so that the courts may punish those responsible for those violations. But we reiterate that the government does not pursue a policy to cover up actions harmful to the physical integrity of the nation's people. [end recording]

Toro added that the government very closely follows accusations purporting torture and is in communication with national and international human rights associations to free the country of this problem once and for all.

Toro was then asked whether this meant that the government did not categorically deny the Americas Watch charges that people still are tortured in Chile.

[Begin Toro recording] The Chilean Government categorically states that it does not tolerate torture as a practice to obtain information and that no court sentence has yet proven the existence of torture. The government does not categorically deny the report because it is aware that charges of alleged cases of torture have been filed before the court. [end recording]

Toro concluded by stating that the cases being heard by the court do not mean that the government is by any means responsible for torturing people, and repeated that victims of this hideous practice must bring their cases before the court so that investigations are begun.

Existence of Money Laundering Charged

PY0909132792 Santiago Television Nacional de Chile Imagen Internacional in Spanish 0000 GMT 9 Sep 92

[Text] The government has admitted the existence of money laundering in Chile. This situation is especially serious because there is no legislation punishing this activity in our nation.

Almost every day the newspapers publish reports on local drug trafficking activities. According to the police organizations, this is the best sign that the situation is under control, and that a crisis will not break out as happened in Colombia, Peru, and Bolivia.

Nevertheless, we are already receiving reports that previously seemed very distant to us—one of them involving the laundering of money.

[Begin Narcotics Control Department Secretary Gustavo Villalobos recording] Of course, it is only logical to believe that there are money laundering maneuvers in Chile. In fact, everyone is acquainted with the recent arrests of Chilean drug traffickers with important investments in our country. Well, then, there is money laundering there. [end recording]

The laundering of money consists of investing dollars linked to drug trafficking activities in legal business. Thus, profits become legal money.

The problem is that any economic activity is liable to be used for this purpose, but there have not been enough investigations to determine the level that this problem has achieved in our country.

[Begin Bank Association President Arturo Tagle recording] We do not have any records indicating an escalation in the laundering of money through the banking system. [end recording]

Banking secrecy and the nonexistence of a law allowing the investigation of these activities is one of the obstacles to thoroughly investigating this problem.

At present there is a bill in Congress which, if approved, will allow the Central Bank or the State Defense Council to investigate these situations and gain access to the bank accounts of the suspects.

[Begin Investigative Police Director Nelson Mery recording] It will be difficult to act as long as there is no legislation. [end recording]

Mery noted that current legislation does not punish those who launder money, an example of how unprotected our country is on this issue.

The bill proposes, among other things, 5 to 15 year prison terms for convicts.

Colombia

Adviser Says 'Peace Process Has Failed'

PA0909175792 Santa Fe de Bogota Inravision Televison Cadena 1 in Spanish 1630 GMT 9 Sep 92

[Report by Guillermo Gonzalez]

[Text] The peace process has failed. The current mechanism for dialogue is worn out and is not working. A statement to this effect was made a few moments ago by presidential peace adviser Horacio Serpa Uribe. The peace adviser said that, thanks to the guerrilla's madness, the peace process is on the verge of failure.

According to Serpa, the present conditions do not leave room for dialogue; consequently that mechanism should be shelved.

[Begin Serpa Uribe recording] Basically, the country has failed, because the country wants to achieve certain results. Of course, the country noted, in this last phase of the process, that the guerrillas had a recalcitrant attitude. [end recording]

Serpa said the peace process did not provide the results the country needs. He added that in those circumstances, his presence at the head of the advisory office serves no purpose. Nevertheless, he ruled out the possibility of resigning his post, at least for the time being.

Government Delays 'Challenger' Loan Disbursement

PA0909170992 Santa Fe de Bogota EL TIEMPO in Spanish 4 Sep 92 p 8-A

[Text] In a move directed at keeping the circulation of currency under control and preventing inflationary pressure, the government will not use a $250 million disbursement from the "Challenger" loan fund, scheduled for mid- September.

The funds will remain invested in foreign bonds and, if worst comes to worst, they will be brought into the country and immobilized in the form of investments in exchange notes.

The government has applied similar measures with previous disbursements from foreign loans for a total of $200 million.

In so doing, the checks from the international financial community that Colombia has not cashed now total $450 million.

The "Challenger" credit was approved by a group of international banks and totals $1.75 billion.

"There is no need at this time to use these funds, as the current state of our international reserves is outstanding," a Treasury Ministry source said.

The funds will be invested in short-term bonds, and will be cashed, if necessary, at the end of the year.

Colombia has international reserves totalling $7.509 billion, because they have been growing progressively since 1991.

This fact prompted the government to pay its debt with the World Bank in advance in addition to freezing the disbursements.

Reserves fall

Reports by the Bank of the Republic indicate that reserves have grown by $1.089 billion this year alone.

In August 1992, however, the accumulation of foreign currency deposits ground to a halt, and although the numbers have yet to be confirmed, deposits have only grown by $4 million.

Several factors contributed to the drop: lower exports, higher imports, payments made to the foreign debt, and a drop in income from investments due to a drop in interest rates.

The slower growth rate in reserves has been under observation since July when growth was $49.8 million, whereas June showed a $107.7 million increase.

Income during May was $213.6 million and $163.9 million in April. The greatest growth came in March: $237.7 million. In January reserves grew by $97.4 million and by $182.4 million in February.

The greater growth rates coincide in time with higher interest rates in El Salvador, which made collecting foreign deposits more attractive.

Income from bonds

Additionally, the National Tax Directorate [Direccion Nacional de Impuestos, DIN] on 3 September announced the preliminary results of the incorporation of social development and internal security bonds [bonos de desarrollo social y seguridad interna, BDSI] into the tax reform effort.

Unconsolidated data—reports from the intermediary banks are not included—indicate that subscription to the bonds totals 202.554 billion pesos.

That is the figure as of 31 August reported to the DIN by the Banco Cafetero, Banco del Estado, and Banco Popular, which were authorized to collect the BDSI subscriptions.

According to the DIN, as of 14 August—the deadline for corporations to subscribe to the bonds—187.44 billion pesos had been collected. The remaining 15.114 billion were collected between 18 and 24 August.

DIN director Julio Roberto Piza noted that those who did not subscribe to the BDSI in time will have to pay an interest rate of 48.76 percent per annum. The interest will be calculated and should be paid on the basis of each month or portion of month of delay, in other words, at a rate of 4.06 percent per month.

The DIN collections division will begin sending out collection notices to those who failed to comply. If this does not give results, a process of compulsory collection will begin that could include the embargo and auctioning of assets.

Foreign Minister Addresses Nonaligned Summit

PA0809191792 Santa Fe de Bogota EL TIEMPO in Spanish 4 Sep 92 p 6a

[Text] Colombia has stated at the Nonaligned Movement Summit that drug-trafficking money has not benefited its economy or that of any underdeveloped country. Colombia has no interest in resources resulting from that criminal industry.

During her address to the 10th Nonaligned Summit in Jakarta, Foreign Minister Noemi Sanin said the economy cannot receive the benefits of money which undermines society, destroys young people's values, and threatens democracy.

She said Colombia continues to wage this unequal struggle and has assumed the costs of a task that surpasses the possibilities of a single country.

"The scourge's capacity for corruption and destabilization cannot be countered in a solitary way. International solidarity and cooperation are still essential," she said.

Sanin invited nonaligned countries to sponsor actions to allow a reduction in the demand among drug consumers, control the trade of chemicals used to manufacture drugs, and increase efficient measures against money-laundering activities.

Likewise, she said it is essential to strengthen judicial systems and provide them with appropriate mechanisms that guarantee their continuity, protect sovereignty, discourage interventionist plans, and help settle the problem.

The minister invited the summit to decide to prioritize topics in each state's agenda; to revitalize development; to eradicate poverty, hunger, and malnutrition; and to improve health levels and actions against illiteracy.

She said these goals must be sought in a favorable international atmosphere characterized by the elimination of protectionism; the increase in financial resources for investments in developing nations; and access to new and ecologically safe technologies.

She said it is a contradiction that developing nations are striving to modernize their markets and sponsor economic reforms "while industrialized nations seem to be bent on a withdrawal, creating protectionist barriers and advocating trade wars."

Sanin also referred to the role the Nonaligned Movement must play in the future: "Given that bipolarity and alignment with great centers of power has disappeared, the movement must dispel doubts and answer questions about its reason for existence."

In her opinion, the group must insist on its demands for a much more equitable and safe world, based on abidance by international laws and UN Charter principles, and an essential condition: The nations' welfare must be guaranteed through cooperation without conditions and respect for sovereignty and territorial integrity.

The foreign minister warned Colombia views with concern the dominance achieved by the UN Security Council in the Nonaligned Movement. "We are alarmed by the frequency with which nations have recently chosen to implement the UN Charter's seventh article, which authorizes the use of force to solve conflicts."

She requested that the Security Council's actions be more clear, careful, and impartial.

"That is why we cannot accept the tendency to justify the world powers' intervention in developing countries' affairs. We must protect the international organization from attempts to turn it into means for an intervention."

Moreover, she advocated the protection of natural resources and said that—although the demand is for developing countries to stop the degradation process caused by the exploitation and unplanned use of their natural riches—industrialized nations must understand that their production and consumption models do the worst damage to the world's ecology in most of the cases.

She also proposed a revision of immigration policies due to the worrisome present and future of innumerable groups which, in their search for better conditions, have become neglected minorities whose social, economic, and political rights are frequently violated.

Commission To Hear Gaviria on Escobar's Escape

PA0909021592 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 2300 GMT 8 Sep 92

[Text] It is President Cesar Gaviria's turn to explain what happened before, during, and after drug kingpin Pablo Escobar's escape. The Senate investigative commission has decided to visit him in his office and ask him to tell what he knows so his degree of responsibility can be established.

The original plan was to ask Gaviria to come to the commission, as proposed by Senator Jorge Valencia of the National Salvation Movement. Gaviria's political cronies, however, regarded it as an unnecessary risk. A

compromise was finally reached: The commission will go to the presidential building after hearing other accounts and will then begin to draft the final report.

Colonel Hernando Navas, the dismissed prisons director, and former Minister Fernando Carrillo were interrogated on 8 September. Navas confirmed that the higher government levels had sufficient information on the various irregularities at the Envigado prison.

[Begin Navas recording] Col. Homero Rodriguez told me he sent this information directly to the Presidency's Security Department. He also told me he had sent an album with comparative pictures of the Envigado, Bellavista, and Catedral prisons to a presidential adviser named Jaramillo on 30 April. [end recording]

Former Minister Carrillo, who on 3 September abruptly left the commission after he was called a liar, returned and swore he would tell the truth. Questioned by this station, he referred to what Navas had said.

[Begin Carrillo recording] The package of reports that the director of the Envigado prison presented describes no irregularities. [end recording]

However, the 8 September debate—which was better organized—makes it clear that everyone, without exception, knew what was going on at the Envigado prison. The debate also makes it clear that corrective measures were delayed because there was an irregular contract with the Envigado prison, because Escobar imposed his will, and because there were two security plans, that of the Justice Ministry and another of prison director Rodriguez.

The Senate ad hoc commission investigating the events leading to Escobar's escape decided that it is President Gaviria himself who, in a special hearing, should give the final explanation of this occurrence.

Former Prison Director Testifies to Congress

PA0409190092 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 2300 GMT 3 Sep 92

[Text] The debate on Pablo Escobar's escape turned very heated in Congress today. During a crossfire, Homero de Jesus Rodriguez, former Envigado prison director, defended himself and struck back, attacking others very outspokenly.

Here is a report by Raul Gutierrez from Congress:

[Begin recording] [Gutierrez] It was colonels' afternoon here at the Senate Ad Hoc Commission. Colonel Homero de Jesus Rodriguez, who was the director of Envigado prison—where Pablo Escobar spent 13 months—until 17 July, made unprecendented statements. Did the government know about the work that was being done at the jail?

[Rodriguez] Yes, that is correct. Reports on it had been sent to various offices, including the Justice Ministry, among others. There were pertinent reports on the security work that was being done to guarantee—as was the duty of the Prisons Directorate and the Envigado prison directorate—two fundamental aspects: the vigilance and the protection of the 15 inmates that had come under our responsibility.

[Gutierrez] When did the government authorize the construction of the facilities that were aimed at protecting Escobar from an air attack, facilities that were part of a security plan designed by you?

[Rodriguez] The work was authorized following the discovery of a plan to drop one ton of explosives, some papaya bombs [bombas papayas], on the prison. Thus, pertinent measures were taken to guarantee the security of the inmates and to make sure that there would be no escapes. An escape or an attack on these people would be very grave for our democracy.

[Gutierrez] Can you explain if this work was ordered or whether the project was paid for. In other words, whether a contract for $4 million was drawn with an Israeli firm for it or whether Escobar finally paid for the project?

[Rodriguez] It was not an Israeli firm. As far as I know, the firm had no connection with the Israeli Government. It is a firm owned by a citizen of a country working here in Colombia but, as far as I know, this citizen has no links to the Israeli Embassy or Government. I explained this in a report to the government in due time, at a time when I conducted some investigations.

[Gutierrez] Was this individual also in charge of the construction at the Itagui jail?

[Rodriguez] Yes, that is correct. The $4-million contract included building security measures in top-security prisons and this included the Itagui jail.

[Gutierrez] Did he negotiate anything with the Ochoas?

[Rodriguez] I do not know. But, anyway, on 12 March, during a meeting at the Itagui mayor's office—in the presence of two ministry advisers, Dr. Caceres and Major Canal—the mayor told us about a visit by an Israeli citizen who said that hidden microphones, a series of television systems, and sophisticated equipment were going to be installed at the new jail. He added that he was going to sell them [the Ochoas] devices to neutralize the equipment that the government was going to install. I thought this was very important information and, of course, I felt it was an aberration.

[Gutierrez] Would you say this Israeli citizen was playing both ends against the middle?

[Rodriguez] I reported this incident so that the person's identity could be established. The government has my report because if it is proven that the same person was constructing the project, then he was playing both ends against the middle. It was a very big responsibility. I told the government about this. The

government and Justice Ministry knew about it. I do not know what measures it took or what was the result of the investigation. [end recording]

Poll Published on U.S. Drug Aid, Escobar

PA0409153392 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1200 GMT 3 Sep 92

[Text] The 3 September issue of CROMOS published the results of the weekly poll conducted by the Centro Nacional de Consultoria at the request of the magazine and Caracol Network.

One of the questions was: Do you think the U.S. aid to Colombia to fight drug trafficking is sufficient? Seventy-seven percent responded it is insufficient, while 13 percent responded it is sufficient. [figures as heard] Another question was: If you knew where Pablo Escobar was, would you provide the information as the Colombian and U.S. Governments are offering a huge reward? Twenty-five percent responded they would give the information, while 66 percent responded they would not provide the information. Nine percent did not want to respond.

LA PRENSA Accuses Government of Censorship

PA0909191392 Santa Fe de Bogota EL TIEMPO in Spanish 4 Sep 92 p 8a

[Text] The newspaper LA PRENSA has accused the government of withdrawing state advertisements from its pages as a way to censure it for the newspaper's accusations against President Cesar Gaviria Trujillo's administration.

However, in a dialogue with Cadena Radial Colombiana (Caracol), the president said that it is not a government decision to withdraw advertisements from any media.

He added that each government organization makes its own decisions in this regard and denied that there is any coercion against the conservative newspaper.

In its most recent issues, LA PRENSA has maintained that the Gaviria administration is upset because it has reported irregularities in top government echelons.

These irregularities include negotiations by the executive branch for the purchase of a costly airplane for the president. However, this purchase was canceled following Pablo Escobar's escape.

But the government responded that there was nothing irregular about the negotiations because a bid was announced to that effect and no one presented an offer. This occurred prior to Escobar's escape.

On 2 September, the newspaper's front page was published blank, except for a small announcement: "This space is reserved to protest censorship. Letter to the president; editorial on page 4."

In addition, it published a letter to Gaviria in which it asks "if the government has any specific requirements or conditions with regard to the handling of news so that a newspaper can exercise its right to free enterprise participation, without any discriminations, in the government's publicity budget and to freedom of expression for those who prefer to read a different opinion or information."

The note ends by asking Gaviria "to explain publicly the government's official stand with regard to press censorship through the use of a "publicity big stick" [garrote publicitario] and the unfair distribution of advertisements granted to small weeklies in the country's interior. These are advertisements that are systematically denied to LA PRENSA.

FARC Attack Leaves 8 Police Dead, 2 Wounded

PA0509153492 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1200 GMT 5 Sep 92

[Report by Herbert Rincon at Villavicencio—live]

[Text] Colonel Eduardo Cuellar Cuellar, police commander in Meta and the eastern flatlands, has just confirmed an unprecedented terrorist attack was perpetrated near the city of Villavicencio—on the road between Villavicencio and Restrepo municipality.

A terrorist attack has been perpetrated, apparently by FARC [Revolutionary Armed Forces of Colombia], a few meters from the bridge over the Guatiquia River. Eight Narcotics officers were killed and two were injured.

According to official reports received at Emisoras Caracol in Villavicencio, a truck carrying police to replace those on guard at Villavicencio's airport was blown up with dynamite—presumably by FARC guerrilla fighters. Eight police officers were killed and two were injured in the explosion. As we said, the attack occurred a few meters from the bridge over the Guatiquia River, on the road to Restrepo municipality. The bridge is approximately 700 meters from Villavicencio.

Col. Cuellar Cuellar reported to Caracol that the Technical Judicial Police and the local district attorney are currently in charge of removing the bodies. Traffic between Villavicencio and Restrepo municipality—as well as most of Cundinamarca and Casanare—has been suspended as a result of this terrorist attack.

An urgent meeting has been called by General Ramon Eduardo Niebles Uzcategui, commander of the 4th Division; Brigadier General Eduardo Camelo Caldas, commander of the 7th Brigade; and Colonel Eduardo Cuellar Cuellar, police commander in Meta Department, to organize special operations. The names of the dead and injured have yet to be released.

Ties to Drug Trafficking Revealed

PA0809045292 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1630 GMT 7 Sep 92

[Report by Marcela Duran]

[Text] The FARC [Revolutionary Armed Forces of Colombia] is controlling a large sector of the drug trafficking business in the eastern plains, authorities stated on 7 September after establishing that FARC carried out the bomb attack in Villavicencio, Meta Department, in which nine policemen were killed. According to General Rozo Jose Serrano, director of the Colombian Narcotics Police, in addition to controlling cocaine processing laboratories, the rebels protect the poppy plantations.

[Begin Serrano recording] We always find guerrilla redoubts in poppy plantations and laboratories. Our work prompted the rebels to conduct this operation against my policemen. [end recording] Gen. Serrano also disclosed that the country is again producing large quantities of marijuana.

[Begin Serrano recording] My men confiscated 17 tons over the weekend. Most of it was in the Tiron Park area aboard a boat. We are concerned, because this means another drug-trafficking activity is growing, possibly due to our operations to counter coca production and the low price of cocaine. It may also be because many people are growing poppy plants. [end recording]

Guerrillas Plant Bombs in Cali, One Defused

PA0809140092 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 2300 GMT 7 Sep 92

[Report by Luis Carlos Burbano]

[Text] Cali experienced moments of panic on the night of 6 September when the National Police and the F-2 [Judicial Police and Criminal Statistics] defused a bomb made up of 30 kg of dynamite. The bomb had been left by members of the Simon Bolivar Guerrilla Coordinating Board [CNGSB] on a bridge on the Simon Bolivar highway.

[Begin Metropolitan Police Commander Jose Dario Rodriguez recording] For the citizens in general I believe that we can say that the overall balance is a positive one despite the damage. These attacks had been announced by those who claim to be CNGSB members. They are a bunch of bandits, terrorists, kidnappers, and extortionists. [end recording]

Two more medium-sized bombs were targeted at the state security corps. The first one was placed next to the El Cortijo police sub-station and caused considerable damage. The second bomb was camouflaged by the guerrillas inside a hand cart and it exploded when a patrol was passing the Siloe fire station. Two National Police officers were wounded as well as the fireman on duty at the fire station. Damage was estimated at 3 million pesos.

In view of the events these past few hours, the police will reinforce their patrols in Cali.

Guerrillas Advance as 'Occupational Force'

PA0909040592 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 2300 GMT 8 Sep 92

[Report by Javier Dario Restrepo]

[Text] The guerrillas are controlling areas of geopolitical importance in the western, eastern, and central parts of the country. Following the suspension of the peace talks, guerrilla fronts have strengthened their presence in key economic areas to obtain large sums of money and to exert military control over certain facets of national production.

Guerrillas are advancing on Colombia's map as an occupational force. In Middle Magdalena, their greatest power is felt in Barrancabermeja, where the people's militias of the Revolutionary Armed Forces of Colombia, FARC, and the Army of National Liberation, ELN, operate in 24 neighborhoods. That urban action is complemented with rural operations by FARC and ELN fronts.

All this is happening before the eyes of authorities who are incapable of stopping the guerrilla advancement. In Cordoba Department, the tranquility that began with the reincorporation of the Popular Liberation Army into society is over. Today cattlemen are demanding government support to create their self-defense groups.

In Uraba, guerrillas are kidnapping and collecting "protection" money.

Government Minister Humberto de la Calle commented on the situation:

[Begin De la Calle recording] The Armed Forces will continue to operate throughout the national territory, without exception, fulfilling their constitutional duties. [end recording]

The military activity will also have to be intensified in the eastern region. In Cesar Department, guerrillas supervise mayors, issue orders to the governor, and influence the appointments of teachers, doctors, and police inspectors. Overwhelmed land owners are selling their properties.

In the coal mines in La Jagua de Ibirico, guerrillas are charging taxes, controlling cooperatives, and issuing threats and orders.

In Bucaramanga, guerrillas have kidnapped more than 90 people, defying the authorities and society. The guerrillas also collect money, carry out kidnappings, and exert control over Arauca.

In the principal Colombian cities, they operate through the people's militias, conducting urban wars in Medellin, Santa Fe de Bogota, and Cali.

It seems that the guerrillas want to show that in future negotiations, they will be talking as one power to another.

Control Coal Mines, Collect Taxes

PA0909145292 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 2300 GMT 8 Sep 92

[Report by Jorge Cura]

[Text] Coal exploitation in La Jagua de Ibirico is under the authority of two guerrilla fronts of the Army of National Liberation, ELN, which have imposed their law there. In those mines guerrillas demand protection money, manage cooperatives, and issue orders under death threats.

According to official reports, ELN guerrillas directly exploit two coal mines in the area and sell the mineral at 2,000 pesos below the price established by private companies in the region, including Carbones del Caribe.

In addition to this sales income, guerrillas are collecting 450 pesos as protection taxes for each ton of mineral extracted by private companies. Based on this rate and the daily production of the mines in La Jagua de Ibirico, the guerrillas are obtaining an average of 675 million pesos a year.

Companies affiliated with the National Federation of Coal Miners are reluctant to pay protection money to the guerrillas, because under the circumstances, the rebels receive more money from taxes than the government.

Here is General Norberto Adrada, commander of the 2d Army Brigade:

[Begin Gen. Adrada recording] The brigade can provide the necessary security to continue the work, transport the coal, and protect the civilian population [end recording]

In the past few hours, the Army announced it will reinforce its troops in all the municipalities in southern Cesar Department. At the same time, it guaranteed coal production and the transportation of the ore to all ports in the Atlantic Coast.

Thus far this year, guerrillas have burned 22 vehicles, mostly tractors, in reprisal to coal miners who refuse to pay protection money.

In addition to the lack of security in the region, many persons collaborate with the guerrillas because the government has delayed the implementation of social programs in southern Cesar Department.

Investigating Commission Reportedly Kidnapped

PA0809132692 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 2300 GMT 7 Sep 92

[Text] Nothing is known about the members of the Prosecutor General's Office investigating commission kidnapped 30 hours ago near El Carmen de Chucuri, Santander Department.

Six members of the investigating commission were kidnapped on the road from San Vicente Chucuri to Barrancabermeja, where they went to identify and remove a corpse. Apparently they were stopped by members of the Army of National Liberation.

The only witness confirmed to our reporter that the kidnappers only wanted to meet with the members of the commission. Two hours later they asked Ruben Dario Foronda, an owner of a funeral home, to continue to Barrancabermeja without the commission members.

[Begin Foronda recording] They took the vehicles and weapons with them. [end recording]

The commission was formed by two investigators, two criminology experts, and two drivers. Each one carried a gun and were riding in two vehicles belonging to the Prosecutor General's Office.

Regional Prosecutor Gilberto Suarez said:

[Suarez] They were intercepted by 15 men with weapons who said they were guerrillas, that nothing would happen to them, and that they only wanted to talk. [end recording]

Ecuador

Planning Official Defends Economic Measures

PA0909214892 Quito Voz de los Andes in Spanish 2300 GMT 7 Sep 92

[Text] Pablo Lucio Paredes, executive planning secretary of the National Development Council [Conade], has justified the package of economic measures the government adopted last week. He justified the adoption of the measures for two reasons: because they will make it possible to lower the inflation rate by next year; and because they will redirect the Ecuadoran economy, with greater investments in the fields of health, education, and social benefits. With the new economic measures, the government hopes to collect 500 billion sucres, the official stated. Paredes was reacting to comments made by two Democratic Left [ID] leaders on the economic measures adopted by the conservative regime.

[Begin Paredes recording] As for the charge that the revenues are being underestimated—some say that 250 billion sucres in revenues are being underestimated—it is clear that any revenue figures are estimates. There may be an error of 2, 3, 5, or 10 billion sucres, but that figure never totals 250 billion sucres. To conclude, the alleged

underestimation of revenues as well as the failure to consider the fiscal deficit and the preliminary figures presented by the ID are false. The true figure of the fiscal deficit we must finance is 7 percent.

It is also worth noting that the government is not financing this whole deficit of 1.3 trillion sucres in four months. It would be absurd to try to finance this with the economic measures. The measures make it possible to collect approximately 500 billion sucres. The rest—that is 800 billion sucres—are already financed through other mechanisms. For example, the country has for some time been paying only part of the interest on the foreign debt. That is clearly included in the financing of the fiscal deficit of 1.3 billion sucres. The country receives foreign loans, and they also serve to finance the fiscal deficit.

The previous government used approximately 300 billion sucres from the Central Bank in the first months of the year. That is one of the reasons for the high inflation rate. That is another mechanism that has financed part of the fiscal deficit. What this government has done is to finance 500 billion sucres that remained to be financed. It is the minimum amount needed to be able to lower inflation substantially next year. That means we must get rid of the absurd idea that the government is trying to finance in four months all the problems that have accumulated in the country. No. The government is financing the minimum amount necessary to be able to lower the inflation rate next year.

Regarding the exchange system, it was said an absurd shock control was implemented, with an excessive devaluation of 35 percent. I simply want to mention that devaluation totaled 60 percent in August 1988; total devaluation in the first six months of the previous government was 85 percent. You can rest assured that there will not be an 85 percent devaluation in the first six months of this government. Instead, it will much smaller, totaling 35 percent—as announced initially.

For that reason, if a 35 percent devaluation constitutes a tremendous shock to the economy, what are we to make of the 85 percent the previous government caused in its first six months? It is also said that Ecuadoran exports have done well, and so there is no reason for such a large devaluation. Some figures were mentioned and, yes, they are very high. I would simply like to make those same export estimates again, without including the oil boom, because that boom in 1988, 1989, 1990, 1991 is not related in any way to the government policy. It is something that will not last in the future.

In the future, oil, pardon me, banana exports will return to their normal level. I mean that if we take out that unusual and temporary increase in banana exports, the growth figures for the rest of our exports are rather low. Let us keep in mind that in the future the country will not have all of the oil revenues it now has. Oil in Ecuador will dry up in 10, 15 or 25 years. We must have an export growth rate for our major exports; however, that rate must not depend on temporary circumstances, as has happened with banana exports. Instead, in the future it must depend on a truly sustained growth in exports. That means we must continue giving incentives to exports, because current levels are still very low compared to the future needs of the country.

I also want to mention in this respect—and this is something we must keep in mind—that it is said the devaluation favors a few exporters. The exporting sector, however, hires many thousands of Ecuadoreans; any increase in the profits of this sector favors not just two or three people, but thousands and thousands of Ecuadoran families from the middle and lower classes. That is what we are trying to do. When there is a devaluation in the exchange rate, we are trying to help all of these people.

It is also said there was no need for the adjustment in the exchange rate, because the situation of international reserves is very good. The liquidity of the reserves, which is what matters, had a level of 220 million [currency not specified] on 10 August; that is true. There were, however, a number of pending payment obligations, and the government had to meet them. That means the liquidity projected for late August or early September totaled $50 million, if all the commitments left pending by the previous government were paid. Talking a liquidity of $50 million is obviously talking of a liquidity that is wholly inadequate for the future needs of the country.

The (?third) important issued broached was gasoline. ID members say they raised gasoline prices by 560 sucres during their four years, and this government has raised the price by 780 sucres in scarcely three weeks [words indistinct] increases, what matters are not absolute values, but percentages. Otherwise, we could say for example that salaries that are currently 10,000 sucres may be (?100) times what they were during the sixties. Based on this, we could say that extraordinary salary increases have taken place; but this is not the case. What matters is not how much salaries are raised, but the percentage they are raised. [end recording]

Union Leader Announces Nationwide Strike

PA0909165992 Quito Voz de Los Andes in Spanish 1130 GMT 9 Sep 92

[Text] Architect Marcelo Proanos, secretary of communications of the National Workers Union of the Ecuadoran Social Security Institute [IESS], has reported that approximately 14,000 employees and workers of the IESS began an indefinite nationwide strike on 8 September.

[Begin Proanos recording] In spite of the information that may have been published, we denounce the abuses committed against the workers of the IESS and the affiliated persons.

First of all, three days before announcing the measures the president issued Decree 086 whereby he mobilized the Armed Forces on all the national territory as if we were in a state of war even though he kept saying he sought peace and tranquility for the citizens.

Furthermore, the next day he issued Decree 087, whereby he dismissed the Superior Council of the IESS—illegally and against the statutes—and gave all the powers to the minister of social welfare so that she can appoint a general director ad interim. There is no law of the IESS or of the Republic that establishes the nomination of representatives of the private enterprise in the IESS general directorate.

What they seek to do with this is to get access, without obstacles, to the privatization of the IESS and the heritage of the workers and the affiliates of the country.

We have decided that we will not allow this, through any type of action.

Meanwhile, in national assemblies, we have decided to halt our activities indefinitely on a nationwide scale until the president of the Republic, the minister of social welfare, and the ad interim director quote, appointed, unquote set aside that attitude, which is against the statutes and illegal.

We have also filed an unconstitutionality suit at the Court of Constitutional Guarantees because we consider that the internal norms of the IESS and its autonomy have been violated.

No matter how much politics would like to get into the IESS—and it has historically done so—the IESS' autonomy cannot be violated as it is not in accordance with the objectives of the IESS as per its three basic principles, which are solidarity, universality, and equality.

If the businessmen seek a profit, they will never be able to consider those three principles which allow you or any other person, as an affiliate, to go to the Carlos Andrade Marin Hospital, or any other IESS branch in the country, to have a tooth extracted or get open heart surgery. That is made possible by the basic principles of the social security, especially by the solidarity.

We cannot imagine a businessman showing solidarity. He would either have to be a philanthropist or he would definitely be fooling the Ecuadoran people, the affiliates, the only owners of the IESS. [end recording]

* Deputy Seeks 'Action' on Precursor Chemicals

92WD0977A Quito EL COMERCIO in Spanish
3 Aug 92 p A-7

[Interview with Roldosist Party Deputy Fernando Larrea by unidentified reporter; place and date not given—first three paragraphs are editorial introduction]

[Text] The president of the congressional commission that is investigating the laundering of dollars from drug trafficking, Deputy Fernando Larrea Martinez [PRE—Ecuadoran Roldosist Party], announced that $50 million worth of chemical precursors were imported in 1989.

He said that only 10 percent of these imports were utilized by the nation's industry, leaving in deep mystery the final destination of the imported chemicals.

With this background, Larrea said, the commission began an investigation to identify the controls maintained by public institutions on the import of precursor chemicals used in the production of cocaine chlorohydrate.

[EL COMERCIO] What was the government's reply?

[Larrea] None. The president of the Monetary Board and the manager of the Central Bank promised to provide information about the importers of the chemicals, but they did not keep their promise.

[EL COMERCIO] The government did not investigate?

[Larrea] A representative of the Ministry of Industries confirmed to the commission that a full investigation of the end use of the chemicals was never carried out.

[EL COMERCIO] What are you trying to accomplish with this accusation?

[Larrea] I want to make public opinion aware that this problem exists and that there is no avoiding this evil.

[EL COMERCIO] Are you alone in this fight?

[Larrea] Everyone must get involved. We need a serious effort, not a two-faced attitude, one for the public and another inside the inside the institutions.

[EL COMERCIO] Will you have many enemies now?

[Larrea] Yes, many enemies. I have received threats. The important thing is to do my job. I am not afraid.

[EL COMERCIO] What is your reward?

[Larrea] The recognition of the people, of mothers of families, of the entire country that supports me in this difficult task.

[EL COMERCIO] Has the commission discharged its duty?

[Larrea] The commission fulfilled its role, although I had to work with primitive tools.

[EL COMERCIO] Were pressures brought to bear in the investigation?

[Larrea] There are privileged persons involved in drug trafficking. Names and circumstances cannot be made public because of the well-known bank secrecy laws.

[EL COMERCIO] Has a beginning been made?

[Larrea] Yes, this is a first step toward creating public awareness. The problem is not to win but to convince.

[EL COMERCIO] Is there the determination to face up to this evil?

[Larrea] We must have the clarity of mind to confront this problem. This does not exist at the moment, and this keeps us from getting to the bottom of the matter.

[EL COMERCIO] Did the government cooperate with you in your work?

[Larrea] We asked the government to drop its rhetoric and take action. We do not believe the government made a serious effort.

Paraguay

Rodriguez Comments on Arrest of Gonzalez Rojas

PY0509162392 Asuncion ABC COLOR in Spanish 5 Sep 92 p 9

[Text] President Rodriguez yesterday refused to provide details on the situation of [4th Infantry Division Commander] Colonel Luis Catalino Gonzalez Rojas, who is being held at the Presidential Guard. Rodriguez pointed out that the military court is conducting a "thorough" investigation into the case. He said: "Don't think that we are joking."

Rodriguez noted that "if Col. Gonzalez Rojas is found to be innocent, he will retain his post." Rodriguez said: "I know that he placed himself at the disposal of the military court to be prosecuted." He added: "I can't provide any information before the military court issues a ruling. Military judges already may have begun their investigations." Rodriguez made these statements after the inauguration of 50 low-income houses built by Conavi [National Housing Council] in Caacupe.

Asked whether Gonzalez Rojas was arrested because of his charges of illegal trafficking of vehicles by senior officers, Rodriguez said: "I learned of this report through the newspapers, but I don't know whether this is true. I think that one should respect the military court, which will investigate these people."

Asked whether the military court will conduct a thorough investigation, He said: "I am quite sure that a thorough investigation will be carried out so that the appropriate measures can be taken."

Asked whether Gonzalez Rojas is being submitted to a pre-trial inquest, Rodriguez said: "I don't know, because he arrived yesterday (3 September), and I did not yet go even to the headquarters of the commander in chief. Besides, he is at the disposal of the military court."

When asked if Gonzalez Rojas is under arrest, Rodriguez said: "I don't know." He then commented on the inauguration of the military court building in Fernando de la Mora township on 2 September. This building has very comfortable rooms designed for officers who are under preventive imprisonment.

Asked how he could ignore the details of the case in his capacity as the Armed Forces commander in chief, Rodriguez said: "We learned that two vehicles were on the border with Bolivia three months ago. They stayed on the Bolivian side during the day and on the Paraguayan side in the evening. The military court is conducting an investigation to identify who is responsible, and on which road or path they traveled to take these vehicles to that place. It is obvious that some people are involved and we want to know this."

Asked about charges involving [1st Cavalry Regiment Commander] General Lorenzo Carrillo in the illegal trafficking of vehicles, Rodriguez said: "I am telling you that an investigation is being conducted. We will find out who are the group members, or whatever."

He then pointed out that General Magno Candia, the chief of staff of the 3d Army Corps, will be the acting 4th Infantry Division commander during the legal proceedings. He said: "Candia will be in charge of the unit during the court's investigation into the case."

Action 'Strictly Disciplinary'

PY0709171492 Asuncion HOY in Spanish 7 Sep 92 p 7

[Text] "The arrest of Colonel Luis Gonzalez Rojas is strictly disciplinary, a military matter. It was ordered by the Army commander in exercise of his prerogative according to Article 300 of the Military Penal Code. The arrest is qualified as rigorous, and is being carried out accordingly. Col. Gonzalez was duly notified of this."

This is how Army Commander General Humberto Garcete began his unexpected news conference, convened at the 1st Army Corps a little after midday yesterday. The reason for the news conference was to talk about the case of stolen cars taken to Bolivia—after paying bribes—through Chaco territory controlled by the military. This much can be deducted from the investigation ordered by Col. Gonzalez Rojas, former 4th Infantry Division commander.

The inquiry shows that military officers are reportedly involved in the illegal activity, and that Col. Gonzalez Rojas was dismissed and arrested as a consequence of his investigation. Commander Garcete said that Gonzalez Rojas is being detained at the Presidential Guard.

The Army commander said "the case is very important for the military."

Garcete explained that Col. Gonzalez Rojas was arrested in accordance with the Military Penal Code. He said that he wanted "to make clear that Gonzalez Rojas is not under arrest because he reported irregularities in the zone under his responsibility."

"I want to inform you that Col. Gonzalez Rojas, in his capacity as acting 4th Infantry Division commander, discovered the activity in one of his tours of the area and following reports of irregular passage of vehicles through his jurisdiction. Gonzalez Rojas reported such irregularities to the corps commander. It was the Army commander who ordered the appropriate investigation to

clarify the report, and not Gonzalez Rojas. I want to make clear that at no time was he the accuser," Garcete said.

Regarding Gonzalez Rojas' arrest, General Garcete added that he "was penalized exclusively for disciplinary violations."

"What are those violations? Col. Rojas ignored the chain of command and violated military laws he must observe. He ignored the chain of command because instead of reporting to the corps commander the same night the inquiry was finished, he came to Asuncion, made several copies of the documents, and distributed the strictly confidential and classified material as if it were his. It is very serious to do as you please with documents that are the exclusive property of the Armed Forces, and to give others access to something that is strictly military," General Garcete said.

The Army commander said that Col. Gonzalez Rojas is being detained at the Security Police Detention Center [as published], and that his family had already been notified. Garcete said that the inquiry may last 90 days, and that other people involved in the case—including officers and sergeants—were also arrested.

Predecessor 'Sent Into Retirement'

PY0509163592 Asuncion NOTICIAS in Spanish 5 Sep 92 p 9

[Excerpts] Brigadier General Lorenzo Carrillo Melo, the former 4th Infantry Division commander, is a retired officer. He was sent into retirement a few months ago, but not because of charges related to the illegal trafficking of vehicles.

Carrillo Melo was replaced in light of the irregular management of funds earmarked for the construction of the 4th Infantry Division [DI4] garrison headquartered in Fortin Capt. Joel Estigarribia (Chaco). The DI4 is a branch of the 3d Army Corps. [passage omitted]

A special committee sent to the D14 unit to supervise the works, submitted a final report after one month, as established by the Armed Forces commander in chief [President Andres Rodriguez].

After this report was presented—its contents were not released—Gen. Carrillo Melo was dismissed and retired.

Colonel Luis Catalino Gonzalez Rojas, the senior infantry colonel at that time, replaced Carrillo.

Peru

Energy Minister Yoshiyama's Resignation Accepted

PA0909143592 Lima Radio Programas del Peru Network in Spanish 1408 GMT 9 Sep 92

[Text] Through a supreme resolution published on 9 September in the official newspaper, the Presidency of the Council of Ministers accepted the resignation of Energy and Mines Minister Jaime Yoshiyama Tanaka.

On several occasions, Yoshiyama Tanaka was acting president during President Alberto Fujimori's trips abroad. He has also been acting foreign minister and has chaired the Commission for the Promotion of Private Investment.

Potential Candidacy Eyed

PA1009040392 Lima Global de Television Network in Spanish 0100 GMT 10 Sep 92

[Text] Jaime Yoshiyama Kanaka, energy and mines minister, resigned unexpectedly. Shortly thereafter, Foreign Minister Oscar de la Puente said the former minister will run as an independent for the Democratic Constituent Congress [CCD]. In other words, Yoshiyama will not run for Change 90.

Yoshiyama's resignation, published in EL PERUANO, took everyone by surprise. The reasons for the resignation were unknown in the beginning, but as time went by, there were increasing rumors that the minister had left his public post to run for the CCD. It was confirmed this afternoon that Yoshiyama will compile a list of 80 candidates to the CCD who will defend the reforms that the National Emergency and Reconstruction Government established since 5 April. Yoshiyama will begin on 10 September to collect the 100,000 signatures necessary to register the list with the National Election Board because he is not running for Change 90.

De la Puente himself confirmed this report. He said the list will be made up of independent candidates who support the government and who are, in turn, backed by the people. He also said the candidates are not necessarily running for the CCD presidency. Change 90 can present its candidates for this new list. The position of president of the privatizing committee is not incompatible with that of candidate for the CCD, De la Puente said.

Yoshiyama has not yet been replaced at the Energy Ministry.

[Begin recording] [De la Puente] The resignation of the energy and mines minister is an important step in our government's desire to transform the institutions. No one can doubt the professionalism, efficiency, honesty, and technical, operational, and human ability of Minister Yoshiyama. We think his decision to leave the ministry for a time will benefit our country when he begins the important work of transforming the mindset of the legislative branch.

[Unidentified Reporter] What will the former minister's role be? Will he head the Change 90 list?

[De la Puente] He will be part of an independent list of sympathizers with and supporters of the government. We are sure the people's support for him and the group that accompanies him in this electoral campaign will

enable him to be a member of the CCD, to which he will take the professionalism and efficiency that have always been his character.

[Reporter] What will Change 90's position be?

[De la Puente] Change 90's position in the electoral mechanism will have to adjust to the stand and presence of Minister Yoshiyama and his list. Consequently, it is very likely that in the next few days the two lists will be merged in a common effort to defend the changes in the institutions in favor of our country.

[Reporter] Who will replace Yoshiyama in the Energy and Mines Ministry? Have any names been proposed?

[De la Puente] The president is considering several candidates. The new minister will probably be sworn in on 10 or 11 September. Not much time can elapse before a new minister is appointed. The decision will most likely be made tonight or tomorrow. If the new minister is not sworn in tomorrow, we could ....

[Reporter, interrupting] [Words indistinct]

[De la Puente] We still have not made a firm decision. There are several suitable candidates, but I would rather leave the decision to the president, based on the proposal we presented to him. [end recording]

Politicians Seek To Join CCD as Independents

PA0909170692 Lima Panamericana Television Network in Spanish 1200 GMT 7 Sep 92

[Text] In politics nowadays, everyone is trying to be independent and unfettered by party controls [no partidarizado].

Senator Edmundo Murrugarra, for example, who up until 6 September was a conspicuous and outstanding leftist leader—first with the United Left, then the Socialist Party of Peru, and Socialist Convergence Party—now says he will form his own group and participate in the Democratic Constituent Congress [CCD] elections with independents.

Meanwhile, Senator Jose Barba Caballero, formerly a member of APRA [American Popular Revolutionary Alliance] also says he represents the independents. The same has happened with the SODE [Solidarity and Democracy Movement] which has just announced that it will participate in the CCD elections with independent technicians and professionals.

[Begin Manuel Moreyra recording] I must stress that henceforth [the SODE] will reject any attempt to impose limits on the CCD. Despite the risks implicit in the course we are following, we have decided to attempt to make popular support restore democracy and defeat the dictatorship.

The SODE platform will consist of three points. The first will be to unequivocally reject the dictatorship and its actions. We want to be in the CCD to control the very clear excesses that are currently taking place. One example of this is the uncontrolled distribution of merchandise and money donated by third countries. We also want to control the transactions and deals that are taking place on a daily basis such as purchases that are made without bids, which are published in EL PERUANO every day.

Therefore, the main goal of participants on the SODE ticket will be to oppose the current dictatorship. [end recording]

Eligible Parties Listed

PA0909225892 Lima Global de Television Network in Spanish 0100 GMT 9 Sep 92

[Government Decree No. 25701 issued in Lima; date not given; read by unidentified member of the National Election Board—live; broadcast in progress]

[Text]....declares:

Article 1: The following political parties are the only ones eligible to participate in the upcoming elections to the Democratic Constituent Congress [CCD]: the American Popular Revolutionary Alliance, Change 90, Popular Action, Christian Popular Party, Freedom Movement, Solidarity and Democracy Movement, and the Agricultural Front of Peru [Frente Agricola del Peru].

Article 2: Political parties, independent groups, and alliances not listed in the foregoing article should request inscription with the National Election Board [JNE] after meeting the requirements outlined in Articles 26 and 27 of Decree No. 25684 and its modifications.

Article 3: The National Front of Workers and Peasants will become eligible to participate in the elections to the CCD when the JNE makes the Front's provisional inscription permanent in line with the provisions outlined in the introductory portion of this resolution.

To be recorded and published.

Leftwing Parties To Participate

PA0909232292 Lima Panamericana Television Network in Spanish 1200 GMT 9 Sep 92

[Text] The leftwing political parties have decided to participate in the upcoming Democratic Constituent Congress [CCD] elections. They have formed the Left-Wing Democratic Movement [Movimiento Democratico de Izquierda] headed by Henry Pease Garcia. The socialists will run as the National Convergence [Convergencia Nacional]. Both parties already have requested their respective ledgers and are preparing to gather 100,000 signatures.

[Begin recording] [Henry Pease] The Left-Wing Democratic Movement is represented by all the people who are present here and many more who want a democratic left wing that is capable of being a liberal alternative. The

party was just founded and will register with the National Election Board this month.

[Unidentified reporter] [Words indistinct] time to collect the signatures, which seems to be the most difficult task.

[Pease] We are determined to do it and we are asking the Peruvian people for their support. Many Peruvians are determined to be represented and to build new sources of representation from the ground up. That is what the Left-Wing Democratic Movement has expressed, and we will get those signatures.

[Reporter] Regarding the spirit of this new left wing—can we describe it thus? Can we call it that? What is the exact terminology?

[Pease] We are resolved to seek renewal; the name is Left-Wing Democratic Movement, and we have decided to renew politics in Peru, to be the expression of the people's sentiments, to be an alternative to Fujimori's dictatorship and its neoliberal plan, which is generating hunger among Peruvians.

[National Convergence leader Edmundo Murrugarra] We believe that the ballot should represent an alliance. All of us who are renewing politics, whether from the right, center, or socialist sector should foster participation by registering. We are going to register. The ballot, however, should represent an alliance. We believe there are individuals who are suitable and qualified to head alliances, and we have said that we would support a ballot fashioned by alliances among the agrarian, regional, and renewed socialism sectors; persons such as Carlos Amat and Leon Chavez.

Finally, I want to tell you that we have proposed a flower as our symbol during the electoral campaign. Peru needs the strength and tenderness of a flower. We need happiness instead of grief, anguish, and blood. [end recording]

Shining Path Activities in Europe Reviewed

PY0509210092 Lima LA REPUBLICA in Spanish 16 Aug 92 pp 16-19

[Article by correspondent Francisco Mattos from the Investigative Unit]

[Text] First to appear were the slogans, painted in an aggressive red color on the spotless cream facade of the Peruvian Embassy in Sweden, in downtown Stockholm. This was followed by six gunshots which hit the main door, and finally by the frustrated assassination attempt on Ambassador Gustavo Adolfo Silva Aranda.

Two weeks ago it was the turn of the Peruvian Embassy in London. Large paintings of indubitable Shining Path origin appeared on the front sidewalk. Then two gunshots hit the building, while several telephone calls threatening Peruvian officials had an impact on the nerves of our representatives.

Other Peruvian embassies in Europe, such as those in Spain, Belgium, Italy, Germany, Switzerland, France, and Denmark, accustomed to periodically receiving threats from pro-Shining Path "Support Committees for the Peruvian Revolution," CARP, were also the targets of red paintings.

Another Peruvian Embassy attacked was that in Mexico City, which was also painted in red, and around which dead dogs were hung. Serapio Mellma is the Shining Path member who coordinates the CARP actions in Mexico.

The threatening action was specific: "You must not request the expulsion of, nor give any information on, any Peruvian who works with us. Do not forget that here the party also has thousands of eyes and ears," is the continuous message they receive.

The Peruvian Foreign Ministry has not released any information on these events, and no official wants to talk about it.

Aware of the information at police and intelligence levels that many European countries are beginning to exchange on Peruvian "political refugees" linked to subversive activities, as well as the courageous cooperation of a group of Peruvian diplomats who remain in the struggle against subversion, Shining Path decided to do what it can do best: terrify.

With a budget that fluctuates between $200,000 and $400,000 a year depending on the country where the embassy is located, the Peruvian embassies have had to make enormous savings to strengthen their security.

The attack on Ambassador Silva Aranda has confirmed that the subversives are willing to even assassinate to keep their militants and propaganda apparatus abroad.

After the criminal attacks carried out by Shining Path during the national holidays and their condemnation by the United Nations, which called the followers of Abimael Guzman a "genocidal" group, several European nations have reconsidered their positions on Shining Path.

The pictures of Tarata Street, leveled by a 500 kg bomb, the dead bodies, the wounded, the blown-up schools, the dynamited police station, the humble food stands in ruins—the results of the condemnable Shining Path attack—have overwhelmed European and world attention. In addition there was the march which, elbow to elbow and voice to voice, united the people from the Miraflores and Villa El Salvador neighborhoods, demanding peace and repudiating the subversives.

Unwillingly, Shining Path's own violence achieved what foreign policy failed to achieve: that Europe become fully aware of the horrifying Shining Path attacks.

The New War

It did not take long for the first international reactions against Shining Path to appear.

Ironically, the country to take the first step was Sweden, where the main Shining Path cadres abroad are concentrated—most of them as "refugees" or under "political asylum"—and from where the Peruvian subversive organization controls its public relations apparatus.

The Swedish Government decided a few days ago to discreetly expel the first group of four Peruvians residing in Stockholm, because according to Swedish security organizations they are linked with Shining Path front organizations.

Despite the most absolute secrecy about the incident—the government refused to release the names of those expelled—sources told LA REPUBLICA that there is a list of 20 Peruvians living in the country under "political asylum" who are at risk of being expelled because of their links with Shining Path.

The source said that the list includes various members of Abimael Guzman's family and important leaders of the "Peruvian Revolution Support Committee" in Sweden, the "Mariategui Literary Circle," and the "Ayacucho Literary Circle," which together form the "Peru People's Movement," an organization that disseminates subversive ideology, promotes the recruiting of followers, and seeks logistic and financial support for the "armed struggle" in our country.

Among other Shining Path activists residing in Sweden is Carlos Rolando La Torre Cardenas, president of the "Ayacucho Literary Circle" and father of Guzman Reynoso's former wife Augusta La Torre, better known as "Comrade Norah."

Also residing in Sweden are Augusta's sister Gisella La Torre Carrasco, alias "Comrade Geraldine," and her husband Javier Estuardo Esparza Marquez, alias "Comrade Enrique."

Esparza Marquez is the most important Shining Path militant in Europe. Not even Shining Path "Foreign Minister" Maximiliano Durand Araujo questions his orders.

Esparza broke with the Shining Path in 1982 and traveled to France, and then to Sweden, from where he contacted Guzman—his in-law—asked Guzman to pardon him, and requested that he be allowed to rejoin the party. His new mission? To represent Shining Path in Europe, and to establish links with other Marxist-Leninist-Maoist organizations.

"Comrade Enrique" is responsible for Shining Path integration with the "Internationalist Revolutionary Movement," MRI, and the triumph of Maoist theory within it. He received the first Shining Path militants who arrived in Europe as refugees.

Among them were Laura Zambrano Padilla and Luis Arce Borja, former director of the Shining Path newspaper EL DIARIO, and a group of 30 well-known subversives.

A Portuguese newspaper has recently published that three other Shining Path militants coming from Sweden tried to enter Lisbon, in order to travel from there to Spain. The newspaper added that local authorities denied them visas, because they were included on a black list of undesirable individuals which has began circulating within most European countries' immigration departments.

The Peruvian subversives apparently wanted to enter Spain to conduct electoral work during Seville's International Fair and Barcelona's Olympic Games with the support of the "Peruvian Revolution Support Committee."

This prohibition on the entry of those elements has led the Peruvian Embassy in Madrid, headed by Ambassador Jaime Arrospide, to become the object of many threats, and the Peruvian flag at the fair in Seville to run the risk of some attack.

There is no information on the existence of Shining Path terrorists in Portugal, but its nearness to Spain makes it attractive to the interests of terrorism.

Spain, the country where the largest number of Peruvians is concentrated, is also the country with the largest number of Shining Path support committees: Madrid, Vigo, Santiago de la Coruna, Barcelona, and Laguna.

Curiously, those who handle these committees are not Peruvians, but young Spaniards, most of them active members of the Spanish Communist Party, which maintains a close relationship with Shining Path, to the extreme that there is "official" communication between them.

The man responsible for Shining Path in Spain is Peruvian citizen Walter Malca Carbajal, who was installed in this post by Elvia Zanabria Pacheco, one of the victims of the intervention at the "Miguel Castro Castro" prison in May 1991, and who for many years had been Abimael Guzman's personal secretary.

Malca Carbajal is in charge of the functioning of the CARP's, of the "Peruvian Intellectual Movement," the drafting of Spanish, Peruvian, and Moroccan students, of controlling Shining Path members who arrive in Spain on their way to other countries, and of the publication of several leaflets and pamphlets in support of the "Andean revolution."

The 300,000 illegal immigrants residing in Spain represent an important share of the population for Shining Path's campaign. Among the actions carried out by Shining Path is that of helping these people, and providing them with legal advice so as not to be expelled from the country.

Although there is no document to confirm this, there are strong indications that in Spain Shining Path maintains some kind of contact with a faction of the Basque separatist organization ETA [Basque Fatherland and Liberty], and for this reason the country has also redoubled its control on Peruvian political refugees and has strengthened all its systems of intelligence, coordination, and support with the Peruvian authorities.

Moreover, the Spanish Catholic Church—several Spanish priests in Peru have been threatened by Shining Path—has expressed its agreement with the expulsion of Peruvian political refugees for their confirmed activities in favor of Shining Path.

Meanwhile, in Germany, the Verfassungsschutz [preceding word in German]—or police for the protection for the Constitution—has redoubled its control in neighborhoods where there are many Turks and Latins, and especially members of the "Sol Peru Committee."

Neighborhoods such as the Kreuzberg, on the West Berlin side, are continuously controlled, to the extreme of identifying the almost 500 demonstrators who participated in the three marches staged this year by request of the Shining Path support committees from Frankfurt, Hamburg, and Berlin. German concern over the presence of Turk, Kurds, and Shining Path terrorists is obvious.

Militants of the Turkish-Marxist-Leninist Communist Party, TKP-ML, a member also of the MRI [International Revolutionary Movement], are the main collaborators with Shining Path members in Germany. The Turks represent a very large migrant population in this country.

To prevent further confrontations, German officials have adopted some measures.

One of them is to prevent the entry of a number of undesirable Peruvians to that country, which could have happened taking into consideration that subversives were to be expelled from Sweden.

The list of undesirable people is headed by Luis Arce Borja, who is responsible for Shining Path propaganda in Brussels, Belgium, where he publishes EL DIARIO INTERNACIONAL. Borja has just granted an interview to the German magazine DER SPIEGEL in which he says: "We know many innocent people are dying. But history is written with blood. We will never gain power if we are tormented by the fact that many people will die."

Arce Borja said that "a million people will die" during the so-called stage of "strategic balance" that has been waged by Shining Path over the past year.

Another measure studied by the Germans is to apply criminal penalties to foreigners who maintain links with active subversive groups, or who contribute financially to subversive oragnizations so that they may continue operating. The measure, if it is implemented, will directly affect the 20 or so Shining Path militants who have been detected in the country, and their 50 or so collaborators, most of them Turkish.

The German Government has decided to increase its coordinating efforts with Peruvian intelligence services, while at the same time freezing the possibility of sending arms to Peru to help fight subversion. This decision had been under consideration for some time within the program of arms reduction that was adopted by Germany after reunification.

It seems that German authorities adopted this decision following President Alberto Fujimori's 5 April speech. A swift return to democracy could again place the topic on Bonn officials' desks.

Deputies (Herbert Scharrenbreuch), (Freimut Duve), and (Ulrich Irmer) are visiting our country in representation of the German congress, to closely follow up events in Peru—particularly events referring to political violence.

There is a similar attitude in France. Police here are implementing strict controls to prevent the entry of undesirable people into the country, and have assigned a special security team to watch over the activities of Shining Path organizations in Paris.

Maximiliano Durand Araujo and Bertha Ore Meneses are based in France, the second most important point within the Shining Path scheme in Europe. "The Sol Peru Committee," or the "International Committee for Solidarity With the Struggle of the Peruvian People," the "People's War Support Committee," or the "Peru People's Movement," operate in this country seeking to disseminate Shining Path activities and to collect funds for the movement.

Paris, a safe and central point, is where Shining Path contacts similar organizations, such as the Spanish groups "Grapo" [October First Antifascist Resistance Group], ETA, and "Free Land," Belgium's "Communist Combatant Cells" and "Proletarian Maoist Movement," and France's "Direct Action."

According to unconfirmed reports from France, Shining Path also controls the organization known as "Franco-Peruvian Intercultural Information and Dissemination Center" which operates under the responsibility of priest Jean Marie Mondet and Peruvian refugees Manuel Herrera Esparza and Miriam Keresseijde.

The priest was arrested on two occasions by Peruvian authorities, but they never found enough evidence against him. He then left the country.

Shining Path's activities are more evident in Great Britain, where the MRI headquarters is established and the Sol Peru Committee carries out its activities.

Adolfo Olaechea is the Shining Path representative in London. He is the well-known owner of a translation academy and student at San Marcos University in the 1960's.

Shining Path receives most of the publications and funds to finance its activities from Great Britain. Olaechea himself signs, with no shame, the news and faxes that are regularly received by the Peruvian mass media.

Shining Path members at universities are dispersed throughout nearly all the major British cities, and are summoned at least once a month to stage demonstrations against the Peruvian Government, despite repeated protests by Peruvian Charge d'Affaires Gilbert Channy.

Despite the control exerted on those linked to the Peruvian subversive organization, they try to comply with the law to prevent their possible expulsion from Great Britain under the charge of being undesirable persons.

The Shining Path members have formed the Musical Guerrilla Army group to disguise their activities. This folk group openly sings songs praising murders committed by the terrorists.

A source at the British Embassy in Lima said that a few days ago a demonstration in support of Shining Path was staged outside the Peruvian Embassy in London, and some demonstrators painted on the wall slogans in support of the "popular war."

"It was horrible," the source said, "but no measures can be taken against them if they simply paint slogans and do not violate the law."

A similar position was expressed by the U.S. Embassy. There are also various groups supporting the Shining Path in the United States. These groups are mainly led by the Revolutionary Communist Party.

"Freedom of expression is a constitutional principle," said the source, "and consequently even the fearful demonstrations by the Ku Klux Klan cannot be forbidden."

Luis Arce Borja, former director of EL DIARIO, lives in Belgium, as has been reported. He is the public relations head and main editor of the various Shining Path publications that circulate all over Europe.

Arce Borja frequently grants news conferences, prepares documents, and releases figures that according to him justify the Shining Path's activities in Peru. The magazine REVOLUTIONARY CORRESPONDENCE is one of the publications released in Brussels.

Also in Italy, where the organizations "Autonomia Operatia" and a "Committee of Solidarity with Peru" exist, the police have stepped up border controls to prevent the illegal entry of Peruvian citizens.

The same goes for Denmark, where a year ago the Peruvian Embassy building was completely painted by the "Support Group for the Armed Struggle in Peru," just as members of the "Peruvian Popular Movement in Sweden" did so in Sweden.

Meanwhile, in this part of the continent [as published], some countries such as Bolivia, Ecuador, Chile, Argentina, Paraguay, and Brazil have tightened border controls in view of the entry of Peruvian terrorists.

Better Late

In addition to the aforementioned is the arrival in Lima of a significant number of security agents to the various embassies accredited to Peru.

What happened to the Bolivian Embassy was enough to prompt other embassies to adopt preventive measures.

The recent announcement by Oscar de la Puente Raygada, premier and foreign minister, regarding the implementation of a propaganda plan at all Peruvian embassies to denounce the atrocious actions by Shining Path, is in response to the movement's actions abroad.

The Foreign Ministry plan consists in the first place of naming 15 ambassadors to an equal number of Peruvian embassies abroad; and in the second place of perhaps readjusting the meager budgets of the Peruvian representatives abroad, and granting them a sort of petty cash fund to finance counter-campaigns.

Lastly, plenipotentiary commissions would be formed to visit those countries where Shining Path propaganda is ample and bold.

Implementation of these measures, however, is greatly delayed.

Shining Path started its campaign abroad about 10 years ago in order to obtain foreign financial and political support, taking advantage of the discredited Peruvian democracy. Around 1982, the Shining Path's leadership decided to send engineer Maximiliano Durand Araujo, member of the PCP-SL [Peruvian Communist Party-Shining Path] Central Committee and one of the people Shining Path leader Abimael Guzman Reynoso trusted most, to Paris.

Although it is hard to believe, Durand Araujo, aka "Comrade Raul," left the country on a scholarship to study nuclear engineering.

At the same time as Durand left, another Shining Path leader called Javier Esparza Marquez, aka "Comrade Enrique," also left for France.

The first "Sol Peru Committee" was founded in Paris in 1984. This was one of the first bases of the so-called "Popular Peru Movement" that is the Shining Path's propaganda apparatus in charge of coordinating actions at a worldwide level.

After an internal struggle, "Comrade Enrique" ended up becoming the terrorists' leader abroad, naturally taking advantage of his relationship with Abimael Guzman.

"Comrade Enrique" is one of the main protagonists of the book entitled "Shining Path: The Most Lethal Subversive Movement in the World" by Simon Strong. This

book has an especially interesting chapter devoted to Shining Path's activities in Europe.

The government, however, does not believe it too late to deploy a worldwide campaign to denounce the atrocious Shining Path actions. The brother-in-law of "President Gonzalo" will have to leave his stronghold in Stockholm.

Uruguay

Government 'Regrets' U.S. Wheat Subsidies

PY1009022092 Montevideo Radio Carve in Spanish 0000 GMT 10 Sep 92

[Lino Torres report from Government House]

[Text] Our government regrets the measures taken by the U.S. Government substantially increasing funds for the export strengthening program in order to grant $1 billion in subsidies to nearly all U.S. exports, as well as applying them to new markets. Thus this practice, which distorts international competition, now has been extended to 28 countries.

At a time when the participants in the Uruguay Round of multilateral negotiations are making huge efforts to achieve a successful conclusion that will guarantee enhanced liberalization of international trade and strengthen GATT rules to reduce and remove unfair trade practices such as export subsidies, which distort international markets to the detriment of efficient producing countries, the new measures taken by the United States, as well as those also implemented by the EEC, negatively affect and jeopardize the development of these negotiations.

With regard to this situation Uruguay, championing its interests, will exercise all its rights within the GATT framework, bearing in mind the principles of the Punta del Este Declaration issued at the Uruguay Round and the status quo and dismantling commitments established then, and will take all the action required by this situation.

This is a Foreign Ministry communique establishing the Uruguayan Government's position toward U.S. subsidies for wheat exports.

Subsidies 'Harshly' Criticized

PY1009023292 Montevideo Radio Carve in Spanish 0000 GMT 10 Sep 92

[Report by Fabian Manizes from the Congress building]

[Excerpts] The Uruguayan foreign minister has emphasized that Uruguay harshly criticizes the U.S. position of granting subsidies for wheat exports. [passage omitted]

Discussing the U.S. decision, the foreign minister added that it contradicts the general trade liberalization policy against all protectionist systems. He pointed out that, championing its interests and rights, our country will assert its viewpoints at all the international forums, especially at the GATT. [passage omitted]

Lacalle 'Tranquil' Over Economy, Inflation

PY0309150492 Montevideo Radio Carve in Spanish 0000 GMT 2 Sep 92

[Report by Lino Torres from Government House]

[Excerpts] President Luis Alberto Lacalle today said that the government will firmly continue along the same economic path. He emphasized that the country is recovering well and that the August inflation rate totalled 4.35 percent. He added that the 1992 inflation rate stands at about 40 percent and that the accumulated inflation for the last 12 months totals 67.02 percent.

Lacalle added that the unemployment level is the lowest in the last 10 years. This administration, which is consistently evolving, has a task that it will continue to fulfill until the last day of its mandate. Thus, President Lacalle began the news conference in which he evaluated what has been done in the country since the day he took office. [passage omitted]

We will summon all political forces to perform tasks that in our opinion are exclusively in the national interest. We are optimistic and enthusiastic about our remaining term in office and are relentlessly engaged in implementing the necessary changes. We are certain that we can count on all Uruguayans—beyond party colors and ideological differences—to help in these important undertakings. [passage omitted]

Lacalle also reported that, within its possibilities, the government will continue to reduce the tax pressure on the economy. He said: For the time being, we will maintain this policy of fiscal prudence. The government is not concerned about polls. He said he is tranquil because he is implementing plans that were proposed during the electoral campaign. He said the government seeks the support of the people before implementing its projects, in accordance with the laws. He added that he believes the people will express their approval of the government in the 1994 elections.

Venezuela

Reports of Troops Moving Into Colombia 'Denied'

PA1009031192 Caracas Venezolana de Television Network in Spanish 2300 GMT 9 Sep 92

[Text] Defense Minister Ivan Dario Jimenez Sanchez has emphatically denied reports that the Venezuelan Armed Forces have crossed into Colombian territory and vice versa. He also said that what is actually going on are operations that are being coordinated by both the Colombian and Venezuelan armies.

After stating that there are no plans for Venezuelan armed troops to cross the border into Colombia, the

defense minister commented on statements made by Enrique Ochoa Antich [human rights activist], who said the Military Police are involved in cases of torture at Fort Tiuna.

[Begin Jimenez recording] The Armed Forces are not in the habit of torturing anyone, regardless of whether a war or a conflict is in progress. That is why I ordered a summary investigation of this report. Some have speculated that this has something to do with freedom of the press or freedom of speech. I think that is totally untrue. We have at no time opened criminal proceedings against any journalist or against any medium. We simply started an investigation on the things we read about in the newspapers. Was the article not published in the newspapers for that reason in the first place? [end recording]

As for the military officers allegedly involved in the Turpial case, Defense Minister Jimenez said he has had no new information on that subject since 5 September.

Colombian Subversives Will Not Affect Relations

PA0809160092 Caracas Venezolana de Television Network in Spanish 0000 GMT 8 Sep 92

[Text] According to Foreign Relations Minister Fernando Ochoa Antich, the attack on the border post in the El Cutufi area staged by Colombian rebels should not affect the relations between Venezuela and Colombia.

Foreign Minister Fernando Ochoa Antich believes that the attack staged in El Cutufi was perpetrated by subversives and should not affect the relations between Venezuela and Colombia.

Minister Ochoa Antich said that no one was injured during the attack and that our Armed Forces responded properly.

[Begin Ochoa recording] The relations with Colombia are maintained through the governments. The problem is the Colombian subversion problem. Machine-gun fire was used against a border post, this has happened before, and the Venezuelan Armed Forces responded properly. I believe the Air Force has started operations to locate the rebels.

This incident will not deteriorate our relations with Colombia as the Colombian Government definitely favors the struggle at the border against the subversives. [end recording]

Foreign Relations Minister Fernando Ochoa Antich said that to seek a solution to these border problems, the Venezuelan foreign and interior affairs ministers are scheduled to meet with their Colombian counterparts at the end of September.

Defense Minister on Soldiers' Political Opinions

PA0609181892 Caracas Venezolana de Television Network in Spanish 0000 GMT 4 Sept 92

[Text] General Ivan Jimenez Sanchez, the defense minister, announced that Colonel Aponte Inojosa, allegedly implicated in the Turpial case, would be surrendering to authorities on 7 September.

After stating that the persons allegedly implicated in the Turpial case are still in Venezuela, the defense minister referred to the decision to postpone journalist Jose Vicente Rangel's program by pointing out that the military judge, by suspending the transmission, prevented military personnel from voicing a political opinion through the public media.

[Begin Jimenez recording] What the judge really has done is to prohibit a soldier, regardless of his current status, from expressing a political or military opinion to any media representative. This is clearly established in the law. That is what the judge has upheld and that is what is specified in the law. [end recording]

Defense Minister Jimenez also referred to charges made about more than $100 million that is being spent on a project to overhaul several tanks. In this respect, Gen. Jimenez stated that these allegations are nothing new, and that the overhaul contracts have been undergoing a process of reevaluation for the past year.